To my father, Nüsret SADIGBEYLÝ

STABILITY IN THE SOUTH CAUCASUS: THE ROLE OF RUSSIA AND TURKEY

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ABSTRACT

STABILITY IN THE SOUTH CAUCASUS: THE ROLE OF RUSSIA AND TURKEY

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Numerous ethnic and territorial conflicts that re-emerged after the demise of the Soviet Union are the primary factors that beset the long-term stability in the post-Soviet space and particularly in the South Caucasus. However, regional security problems have also an external dimension as the regional powers, primarily Russia, instrumentalized regional conflicts in order to reinstate its predominant position in the region and to prevent involvement of other regional and non-regional powers. The South Caucasian states, primarily Azerbaijan and Georgia in order to forestall Russian hegemony chose to foster geopolitical pluralism in the region by diversifying their security ties with external regional and non-regional powers, primarily Turkey and the USA. The conflicting security interests eventually increased the possibility of emergence of informal alliances along North-South and East-West axis. This led to a polarization in the region. Taking into considearation that the external dimension of the instability in the South Caucasus increased the zero-sum character of the regional conflicts and complicated the process of the conflict resolution, the following paradigm seems to emerge: the lasting solution to these conflicts depends to a large extent on the interests and policies pursued by powerful regional and extra-regional states. Although there are several stability pact projects proposed by various governments

and research institutes for the South Caucasus, it seems to be very difficult if not impossible to achieve the long-term stability in the South Caucasus until a paradigm shift takes place from a zero-sum rivalries between the major regional as well as extra-regional states to the framework of a balance-of-interests, the essence of which is that each major state claiming to have "vital interests" in the region should take into account interests and concerns of other states, paving the ground for cooperative arrangements.

ÖZET

GÜNEY KAFKASYA'DA ISTIKRAR: RUSYA'NIN VE TÜRKİYE'NİN ROLÜ

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Master tezi, Uluslararası İlişkiler Bölümü

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Sovyetler Birliği yıkıldıktan sonra, etnik çatışmalar ve bölgesel ülkelerin toprak bütünlüğüne tehditler en önemli istikrarsızlık faktörleri olarak ortaya çıkmıştı. Öte yandan, bölgedeki eski hakimiyetini yeniden kurmak isteyen ve diğer bölge dışı güçlerin müdahalesini engellemek amacı güden Rusya, bölgesel güvenlik sorunlarını etkileyen önemli bir aktör olarak belirdi.

Özellikle Azerbaycan ve Gürcüstan, bölgedeki Rus etkisini azaltmak, bağımsızlıklarını güçlendirmek ve jeopolitik çoğulunluğu perçinlemek amacıyla, ABD ve Türkiye ile işbirliğine giriştiler. Çatışan güvenlik çıkarları doğu-batı ve kuzey-güney eksenlerinde resmi nitelik taşımayan ittifakların doğma ihtimalini artırarak, kutuplaşmalara sebebiyet verdi. Sonuçta, bölgesel ve bölge dışı faktörler bölgesel istikrarsızlıkları artırarak, uyuşmazlıklarının çözümünü güçleştirmiştir.

Bu arada, bazı hükümetler, devlet başkanları ve araştırma merkezleri Güney Kafkasya'da kalıcı barış ve istikrarı sağlayacağı ümidiyle istikrar paktı projeleri önermişlerdir. Ancak bu tür önerilerin başarılı olmasını engelleyen faktörler hala mevcuttur. Bölgede etkili olan devletler aralarındaki ilişkileri güç dengesi anlayışına göre değerlendirmekten vazgeçerek, menfaat dengeleri esasına dayandırmadıkları sürece Güney Kafkasya'da uzun vadeli istikrarın

sağlanması son derece güç olacaktır. Bölgede yaşamsal çıkarları bulunan başlıca güçlü devletler diğer devletlerin çıkarlarını ve kaygılarını dıkkate alarlarsa, bölgede işbirliğin temeli oluşturulabilir.

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LIST OF ABBREVIATIONS

ACG	Azeri-Chirag-Guneshli (Oil fields)
AIOC	Azerbaijan International Operation Company
ANS TV	Azerbaijan News Service (Azerbaijani independent TV)
APF	Azerbaijani Popular Front
AzTV	Azerbaijan State Television
BP	British Petroleum
BSEC	Black Sea Economic Cooperation Organization
BTC	Baku-Tbilisi-Ceyhan Pipeline
CENTO	Central Treaty Organization
CEPS	Center for European Policy Studies
CFE	Conventional Forces in Europe Treaty
CFSP	Common Foreign and Security Policy
CIA	Central Intelligence Agency (USA)
CIS	Commonwealth of Independent States
CoE	Council of Europe
CPC	Caspian Pipeline Consortium
CSP	Caucasus Stability Pact
CST	Collective Security Treaty
DLP	Democratic Left Party
EAPC	Euro-Atlantic Partnership Council
EBRD	European Bank for Reconstruction and Development
ECO	Economic Cooperation Organization
EU	European Union
FSU	Former Soviet Union
GRVZ	Group of Russian Forces in Trans-Caucasus
GUUAM	Georgia-Ukraine-Uzbekistan-Azerbaijan-Moldova Group
HC	High Command
IBRD	International Bank for Reconstruction and Development
IEA	International Energy Agency
ILSA	Iran-Libya Sanctions Act
IMF	International Monetary Fund
INOGATE	Interstate Oil and Gas Transport to Europe
JAF	Joint Armed Forces
KGB	Committee for National Security (in Soviet Union)
LDPR	Liberal Democratic Party of Russian Federation (of V.Zhirinovsky)
MD	Military District
MEP	Main Export Pipeline
MFA	Ministry of Foreign Affairs
MHP	Milli Hareket Partisi (National Action Party)
MoD	Ministry of Defense
NACC	North-Atlantic Cooperation Council

NATO	North Atlantic Treaty Organization
NFU	Non-First-Use pledge
NIS	Newly Independent States
NMD	National Missile Defense
NSC	National Security Concept
OIC	Organization of Islamic Conference
OPEC	Organization of Petroleum Exporters Countries
OPIC	Organization of Private Investment Corporations
OSCE	Organization for Security and Cooperation in Europe
PfP	Partnership for Peace Program
PKF	Peacekeeping Force
PKK	Kurdish Workers Party
PSA	Production Sharing Agreement
RAND	Research and Development Corporation (USA)
RF	Russian Federation
RFE/RL	Radio Free Europe/Radio Liberty
RIIA	Royal Institute of International Affairs (London)
RLS	Radio Location Station
SCC	South Caucasus Community
START II	Strategic Arms Reduction Treaty
SVR	External Intelligence Service (Russia)
TABDC	Turkish-Armenian Business Development Council
TBMM	Türkiye Büyük Millet Meclisi (Turkish Grand National Assembly)
TDA	Trade and Development Agency
TDN	Turkish Daily News (on-line newspaper)
TIKA	*Türk Işbirliği ve Kalkınma Ajansı* (Turkish Cooperation and Development Agency)
TLE	Treaty Limited Equipment
TNW	Tactical Nuclear Weapons
TRACECA	Transport Corridor Europe-Caucasus-Central Asia
TRNC	Turkish Republic of Northern Cyprus
TRT	Turkish Radio and Television
TSMA	Theatre for Strategic Military Action
TÜRKSOY	Turkic Cultures and Arts Joint Administration
UN	The United Nations Organization
URL	Uniform Resource Locator
US	The United States of America
USSR	Union of Soviet Socialist Republics
VPK	Military Industrial Complex (Russia)
WB	World Bank

INTRODUCTION

The demise of the Soviet Union led to the transformation of the geopolitical environment in the vast area stretching from the Balkans to the borders of China. Sudden withdrawal of Russia's authority from the former Soviet republics resulted in the overall shift of the power balance in the post-Soviet space and collapse of regional order. A "power vacuum" that emerged in the post-Soviet space in general and in the South Caucasus in particular gave way to the re-emergence of centuries-old ethnic conflicts and territorial disputes that were "frozen" by the Soviet authorities. Coupled with the dramatic decline in economic production and overall crisis of identities, that the former Soviet republics have been living through, these conflicts beset the stability in the South Caucasus. Since then the South Caucasian states have been searching for the mechanisms that would maintain their security and stability. Numerous regional security problems that increased the risk of the spill over of the conflicts into other neighboring regions and considerable hydrocarbon resources that this region possess, draw attention of the international community to this part of the world. Several governments, heads of state, including Turkish ex-president Süleyman Demirel, and research institutes put forward various stability pact projects for the South Caucasus. However, formidable obstacles make the realization of these projects extremely difficult. The purpose of this study is to explore the main obstacles to and the prospects for the regional stability in the South Caucasus.

The present conflicts in the region do affect the overall regional security environment, however, this thesis is far from being an attempt to provide an overview of the roots and causes of all the conflicts in the South Caucasus. An extensive literature exists on these issues. Rather, I will touch upon some key aspects of these conflicts from the prism of intersection of "inner"

triangle of regional states (Azerbaijan, Georgia, Armenia) and regional powers (Russia, Turkey, Iran) that form the "outer" triangle. With the US and the EU (which increasingly views itself as an independent international actor in its own right) that have become important factors in regional politics, the geopolitics of the region has changed. This intersection contributed to regional rivalries and formed an external dimension of instability and insecurity in the South Caucasus. It is thus important to take into account policies and strategies pursued by regional and extra-regional powers, while analyzing factors of regional instability. In the external "outer" triangle of states I put special emphasis on the role Russia and Turkey play in the regional politics. This is not to say, however, that the "factor of Iran" is downgraded. Rather, self-isolationist policy of Iran on the international arena and its deconstructive regional *ad hoc* policies, negatively affected Iran's image of a country with stabilizing potential in the region.

The new security environment that formed in the aftermath of the dissolution of the Soviet Union requires re-conceptualization of stability. Therefore, I start the first chapter by giving the definition of an inclusive concept of stability that takes into account new non-traditional sources of instability, such as, but not limited to non-state actors. The Newly Independent States (NIS) had been living through a transition period from the Communist centralized economy to the market-based one. The majority of the republics of the former Soviet Union is positioned around of Russian borders and have their vital communications lines still largely oriented towards Russia. This fact presupposed a continuation of their economic dependence from their former dominion for at least a limited period of time to come. However, they considered their economic dependence on Russia as the main threat to their political independence and that is why were reluctant in preserving economic and political ties with

Russia. However, the South Caucasian states were soon to discover that despite its weakened position, Russia still retained its capabilities to influence the regional developments and remained very important actor. The on-going armed conflicts in the South Caucasus allowed Russia to reinstate its dominant position in the region by playing one conflicting side against the other. Proximity of Russia and its assertive policy effected foreign and security policies of the South Caucasian states. The Regional stability depended thus on the overall security environment in the South Caucasus. Given, that the security environment in the South Caucasus was influenced to a large extent by Russian foreign and security policy, it is therefore, important to examine first the evolution of Russia's regional policies.

In the second chapter I analyze the role "Turkish factor" played in fostering geopolitical pluralism in the South Caucasus - a concept that emerged as a response to Russia's attempts to dominate the region. After the end of the Cold War Turkey felt the need to modify its cautious foreign policy and develop a new post-Cold War strategy. Economic prosperity, increased military capabilities of Turkey and its new geopolitical environment allowed Turkey to play a stabilizing role in the neighboring regions. One of the directions where Turkey pursued an active foreign policy was the post-Soviet South. Five of the fifteen ex-Soviet republics were of Turkic origins. Turkey engaged in close economic, political and military relations with the republics, to which it felt affinity and proposed its "model" of development. Azerbaijan and Georgia were especially interested in developing close ties with Turkey. They saw Turkey, a NATO member, as a reliable counterweight against Russia's hegemonic aspirations. In this respect, Turkey's role in the diversification of external security ties of these states was indispensable. Though the Caspian oil is an important contribution to the world energy security, for Turkey participation in

the regional energy projects has more political and strategic value as the oil development and multiple pipeline system is believed to consolidate political and economic independence of the South Caucasian states and thus plays a positive role in the stabilization of the region. Besides, Turkey sought to secure for itself a role of energy "terminal" that is believed would boost Turkey's strategic importance. The role Turkey plays in the regional energy projects is also given special consideration.

In the third chapter I explore the obstacles to the stability in the South Caucasus and the prospects of a "Stability Pact" model proposed by Turkey's 9th president Süleyman Demirel for the South Caucasus. Since the demise of the Soviet Union the primary preoccupation of Azerbaijan, Georgia and Armenia has been to develop mechanisms that would maintain their security and stability. However, numerous security problems that emanate from both internal and external dimensions of instability in the South Caucasus prevented formation of cooperative regional security frameworks. This study concludes that any stabilization process in the region is conditional on the cooperative efforts of major regional and extra-regional powers, involved in the region.

The purpose of this study is to critically examine the evolution of the politics of major states in the South Caucasus, particularly focusing on two major actors, Russia and Turkey. This critical examination of foreign and security policies of major actors will pave the ground for the evaluation of the possibility of restoring long-term regional stability in the South Caucasus. The review of the literature on this subject included books, articles, research reports, studies, background papers, and evaluative documents. While collecting data necessary for my analysis

I have also used such primary sources as statements and declarations of the regional political figures.

CHAPTER I

SECURITY ENVIRONMENT IN THE SOUTH CAUCASUS[1] AFTER THE DISSOLUTION OF THE SOVIET UNION

1.1. Regional Approach to the Stability in the South Caucasus

Before entering into a discussion of (in)stability in the South Caucasus, we must define first what we exactly mean by stability. The primary focus of International Relations theory has been on the behavior of states, and consequently the levels of analysis at which International Relations theory operate are dealing with either a state (unit-level) and/or international system in which states interact with each other (system-level). From this perspective, any conceptualization of stability has to incorporate features of either the international system and/or of its components (states). Departing from these "traditional" levels of analysis, Karl Deutsch and J. David Singer define the stability either as "the probability that the system retains all of its essential characteristics; that no single nation becomes dominant; that most of its members continue to survive; and that large-scale war does not occur" (systemic approach), or from the narrow unit-level perspective, they explain stability as the "probability of continued political independence and territorial integrity of states without any significant probability of engaging in a war for survival."[2] In other words, stability is considered to be an end result of the interactions

[1] There are two names commonly used to describe the region comprising of Azerbaijan, Armenia and Georgia. The term "Transcaucasus" is a translation from Russian "*Zakavkazye*", which literally means "Behind the Caucasus" (perhaps when looked from Moscow). Because the term South Caucasus is geographically accurate and more precisely describes the region it will be adopted here.

[2] See Karl W. Deutsch and J. David Singer, "Multipolar Power Systems and International Stability", *World Politics*, Vol. 16, No. 3, (April 1964), pp. 390-406 at 390-391, cited by Enver Begir Hasani, "Self-Determination, Territorial Integrity and International Stability: the Case of Yugoslavia", Ph. D. Dissertation, Dept. of International Relations, Bilkent University, Ankara, (July 2001), pp.19.

of states-as-unitary actors in an anarchical international system. Most of the IR scholars agree that balance of power among actors is formed systematically and is the main instrument of maintaining international stability.[3] From this perspective, the relative international stability that was established since 1945 according to the system-level approach was a consequence of the bipolar character of the international system.[4]

The disappearance of one of the poles, namely the Soviet Union in 1991 paved the way to the transformation of the world system from a bipolar to an embryonic multipolar one. This transformation renewed the debate among the IR scholars on the nature of the international relations. One of the issues that were subjected to debate concerned the international stability after the end of the Cold War. Unlike some scholars who argued that the post-Cold War era would be more stable because the ideological and military inter-bloc confrontation was over, several IR scholars headed by John Mearsheimer argued that the new multipolar world was less stable compared to the bipolar one.[5] He argued that the bipolar distribution of the military power and the rough military equality between the two "poles" that contributed to the international stability would change with the emergence of other "poles" and the system would eventually become more imbalanced and consequently more prone to instability. Although the developments of the last decade of the 20th century showed that the world became more destabilized, it would be too simplistic to put the blame entirely on the emergence of new "poles" *per se*. Admitting that in the multipolar world the balancing of interests among the states

[3] See Andreas Osiander, *The States System of Europe, 1640-1990. Peacemaking and the Conditions of International Stability,* (Oxford: Clarendon Press; New-York: Oxford Univ. Press, 1994), pp.3-4.
[4] See John Lews Gaddis, "The Long Peace: Elements of Stability in the Postwar System", *International Security*, Vol. 10, (Spring 1986), pp. 99-192 and Hans Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, 4th ed. (N-Y: Alfred A. Knopt, 1966).
[5] See John J. Mearsheimer, "Back to the Future: Instability in Europe after the end of the Cold War", *International Security*, Vol. 15, No. 1, (Summer 1990).

is much more difficult, our attention, however, should not be diverted from other non-traditional sources of instability. The new international system is characterized not only by the emergence of several "poles" instead of two. Along with new centers of power, the post-Cold War period witnessed emergence of non-state entities that increasingly try to act on the international arena as independent actors in their own right.

Two questions may arise in this regard: what is the role of these non-state actors in the international affairs and whether aforementioned conceptualization of stability is accurate enough to cover all forms of stability in a changed environment? If we measure stability simply as absence of wars and major crises between states, then the world we live in should be characterized as relatively stable, because the current and potential threats of direct aggression by other states are diminished considerably today, although they have not disappeared altogether. However, even the brief outlook of the map of the conflicts of the last decade of 20th century will show that the conflicts and wars can hardly be considered a relic of the past. What has changed is the nature of the conflicts. Most of these conflicts include non-state entities, be it ethnic, religious or political groups, challenging state power (See Map 1). The definition of stability given by Karl Deutsch and David Singer excludes, however, non-state entities and therefore their actions are not taken into account as a potential source of instability. One may well ask why these scholars developed such an exclusive concept of stability? An assumption that the period, in which they conceptualized the stability, was free from conflicts centered on ethnicity is not supported by facts. On the contrary, evidence suggests that the greatest absolute and proportional increase in numbers of groups involved in serious ethnopolitical conflicts occurred between the 1960s and the 1970s, from thirty-six groups to

fifty-five.[6] However, these ethnic groups were not acting as international actors on the world arena, and thus were not considered to be major challenges to states. Independence and territorial integrity of states were guaranteed by the international anarchical society through the norms of sovereign equality of states and principle of inviolability of territorial borders. Whenever local conflicts erupted, they were tackled either by the USA or the Soviet Union depending in whose "sphere of influence" the crisis emerged. In other words, the world order rested with the two superpowers that took on the role of the "disciplinarian" within their own blocs.[7]

Another question is why the end of the Cold War provoked a renewed debate among IR scholars about the nature and significance of ethnicity in contemporary world politics? Some observers put emphasis on the link between the deconstruction of the bloc system and the resurgence of ethnopolitical conflicts throughout the world. They explain re-eruption of numerous ethnicity-based conflicts by the *ethnic fragmentation*, which followed the further decentralization of systemic power. According to this approach sudden disappearance of the central authority from the former republics of the Soviet Union created greater political opportunities for internal challenges by ethnopolitical contenders to seek independence and/or re-distribution of and greater access to state power. These challenges were reinforced by the expansionist objectives of adjoining states that were now freer than they were during the Cold War to encourage ethnic kindred and coreligionists to rebellion.[8] Armenia's renewed territorial

[6] See Ted Robert Gurr, "Peoples Against States: Ethnopolitical Conflict and the Changing World System", *International Studies Quarterly*, Vol. 38, No. 3, (1994), p. 350.
[7] See Enver Begir Hasani, "Self-Determination, Territorial Integrity…"(July 2001), p.19.
[8] See Ted Robert Gurr, "Peoples Against States: Ethnopolitical Conflict and the Changing World System", *International Studies Quarterly*, Vol. 38, No. 3, (1994), p. 353.

claims to Azerbaijan and support for separatist movement in Karabakh[9] is only one recent example. As a result these non-state entities proved to be a huge source of instability within the sovereign states where they emerged. In other words, states (especially heterogeneous ones) are threatened nowadays not so much from the outside as from inside. As aptly argues Kalevi Holsti, the assumption that the problem of conflict is primary a problem of relations between states has to be seriously questioned.[10] Aggressive Armenian separatism in Karabakh, Abkhaz and South Ossetian secessionist movements in Georgia, coupled with a dramatic decline in economic production and overall crisis of identities in these states – all are sources of the instability that are threatening the very survival of the newly emerged nation-states (See Map 2). Moreover, in the new security environment that was characterized by "power vacuum", these non-state actors became threatening not only to regional stability but also the wider international stability.[11] Taking into account the above-mentioned facts, clearly while conceptualizing stability we have to look beyond the narrow definition of stability and develop a concept of stability that would include non-state actors, such as ethnicity and religious-based separatist movements, terrorist groups, just to name a few.

It should be noted that sources of instability are intermingled with each other. Non-state actors (primarily separatist movements) while challenging central authorities seek external support and legitimization. As a result, these conflicts became open to external influences. The

[9] The proper name of the region is Daðlýq Qarabað (Mountainous Garabag). However probably due to the fact that the international community first learned about this region from Russian media the term "Nagorno-Karabakh" (in Russian) became broadly accepted. Given, that this term is widely used in the literature on this subject I will refer to the region as Karabakh to avoid confusion.

[10] See Kalevi J. Holsti, *The State, War and the State of War,* (Cambridge: Cambridge University Press, 1996), p. 15, cited by Enver Begir Hasani, "Self-Determination, Territorial Integrity…"(July 2001), p. 22.

[11] See Stephen Van Evera, "Primed for Peace: Europe after the Cold War", *International Security*, Vol. 15, No. 3, (Winter 1991), pp. 7-57.

South Caucasus, which has been historically a place of rivalry between extra-regional actors, is a case in point. Extra-regional powerful states used disputes of Caucasian peoples to advance their own interests. They tried to oppose unwanted domination by any other major state by creating virtual alliances with separatist regimes and regional states supporting them. However, these balance-of-power techniques that were considered a cornerstone of international stability throughout centuries proved to be counterproductive at the regional level. They promoted and contributed to internal divisions and fragmentation in the region and prevented stabilization of the region. Consequently, these crises became more dangerous as their "internationalization" increased their spill over potential. Thus, present-day regional challenges to the international stability have become no less acute problem for the international community. Few would doubt nowadays that until there would exist regional sources of instability it would be very difficult if not impossible to maintain wider international stability. Realizing the consequences of the "Great Power" rivalry, the international community developed a concept of balance-of-interests, the essence of which is that each major state claiming to have "vital interests" in the region should take into account interests and concerns of other states, paving the ground for cooperative arrangements (See Chapter III).

Internal social, economic and political problems within the states also have destabilizing effect. Although, in the era of globalization economic interdependence among the states increased incentives for cooperation and was believed to foster economic interdependence among states, thus dampening conflicts and transforming zero-sum competition for security into positive-sum (win-win) cooperation, existence of the regional sources of instability was and is

still a major obstacle that prevents creation and maintenance of the liberal economic order in the region.[12] As aptly argues Jayatha Dhanapala:

> Eras in history do not separate themselves in clearly demarcated segments. There is a phasing out of one era as the new one emerges. Elements of both eras co-exist in the transitional period. We are still in this period of transition as old concepts of raw military power, national interests and balance-of-power assert themselves amidst a new period of international cooperation.[13]

In this regard, regional instabilities are kind of indicators of this transitional period. From the ability of the international community to meet the challenges of these sources of instability in numerous regions, depends how quickly and how successfully the mankind would pass this transitional period. This is why in the post-Cold War era the focus of attention has increasingly been on the regional sources of instability and insecurity.

Aforementioned "traditional" levels of analysis, when applied to certain geographical areas such as the South Caucasus or Central Asia, proved to be insufficient, however, in providing us with a complete picture of regional dynamics. This does not suggest that studying regional countries or exploring the impact of the international system on the regional developments is of no use. Rather in such land-locked area as the South Caucasus, where geography, historical and cultural legacies that shaped national identities of states are intermingled, studying security problems of one given state separately from the trends in the whole region would be incomplete.

Some scholars proposed a regional level of analysis arguing that it would provide with an important analytical tool. It should be noted that the regional approaches are not substitute

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[12] See Dale C. Copeland, "Economic Interdependence and War: A Theory of Trade Expectations," *International Security*, Vol. 20, No. 4, (Spring 1996).

[13] See Jayatha Dhanapala (ed.) *Regional Approaches to Disarmament: Security and Stability*, (UNIDIR, Dartmouth-Alderschot: England, 1999), p. 6.

for global approaches. Rather, regional level of analysis is a kind of a "middle ground" between the unit-level and the system-level of analysis. According to this approach a region should be considered as a distinct system of states closely interrelated to each other.[14] From this perspective, stability in the South Caucasus is linked with the stability of each of the South Caucasian states. Existence of non-traditional sources of instability in the region that brought these states to the brink of dismemberment resulted in securitisation of the political, economic issues. Svante Cornell proposes to study the South Caucasus within the framework of security interdependence of the so-called "inner triangle" of states namely Azerbaijan, Armenia and Georgia and "outer triangle" comprising of external regional powers (Russia, Turkey, Iran) that are part of this security system.[15] Although the USA is not a regional power, its role in the regional geopolitics should also be given careful consideration. From this perspective, stability and security of the whole South Caucasian region is linked to the policies pursued by regional and extra-regional states.

1.2. The "Russian Factor" in the South Caucasus

Each of the extra-regional states declared that their security interests were at stake in the South Caucasus. Even a brief outlook of the historical, geographical, ethno-linguistic and cultural setting of the regional states as well as internal configurations of external powers can shed some light on what is really at stake for each of the state concerned. Political elites of external regional powers established linkage between their respective internal and external

[14] See Barry Buzan, *People, States and Fear: An Agenda for International Security Studies in the Post-Cold War Era*, (New York – London: Brighton: Wheatsheaf, 1991), pp. 186-229.
[15] See Ch. 1 "The Caucasus: A Region in Conflict", pp. 17-26 in Svante E. Cornell (ed.) *Small Nations and Great Powers: A Study of Ethno-political Conflict in the Caucasus*, (Richmond: Curzon Press, 2000).

national security. Indeed, the capabilities to influence the events in the Caucasus bore consequences for both domestic security interests and foreign and security policies in their immediate proximity. Turkey and Iran, due to their historical, cultural and linguistic ties with the region could not stay aside from the regional developments. Iran feared that the rise of nationalism and successful economic development of Azerbaijan could potentially influence self-consciousness of its estimated 16 million Azerbaijani population (See Map 3).[16] This induced Iran to adopt an ambivalent approach to Azerbaijan's independence. Iran was also uneasy about the possibility of growing Turkish influence in the region and thought that its interests would be better served if the *status quo ante* were preserved. This consideration induced Iran to foster a "strategic partnership" with Russia. Turkey, unlike Iran, pursued the objective of contributing to the preservation of Azerbaijan's independence and territorial integrity.

Russia, while suffering geopolitical loss *en touts azimuts*, perceived external penetration into the region as potentially dangerous to its own interests. Russia believed that it would not be able to suppress separatist movement in Chechnya unless it keeps a preponderant position in the South Caucasus. Furthermore, the loss of Chechnya could potentially strengthen centrifugal tendencies in other autonomous regions (*oblast*) of Russia. Moreover Russian military conflict in Chechnya would not have been so brutal, had it not been related one way or another to the energy resources of the Caspian basin.

Each of these states, while trying to influence the dynamics of regional developments, developed policies based on various historical, political, economic, ethno-linguistic and cultural factors. However, as was previously mentioned, the main factors, that allowed external powers

[16] According to the CIA World Fact Book (2001) Azerbaijani ethnic group forms 24% of the total Iranian population, <http://www.cia.gov/cia/publications/factbook/geos/ir.html>, Accessed: June 1, 2002.

to get a foothold in the region and assert their influence were, the continuing regional conflicts on the one hand and considerable energy resources on the other.

Among the various external influences on the developments in the South Caucasus after the retreat of the Soviet (read Russian) authority, the role of Russia should be given special consideration. Though each of the regional powers seeks some sort of sphere of influence in the South Caucasus, only Russia despite its shrinking capabilities, had decisive influence on the overall security environment of the South Caucasus. In fact both extra-regional and regional states while shaping their security policies could not neglect the "Russian factor." Historic legacies, continuing economic dependence of the NIS combined with political and military pressure were used by Moscow as a means to pursue Russian regional interests. As argues Mesbahi Mohiaddin:

> On all three levels, military, economic and political, while Russian 'centre' has been severely weakened, it still outweighs the Central Asian and Caucasian periphery…between which there exists a level of *structural dependency/interdependence* (emphasis original) that will not be overcome overnight.[17]

Russia's policy toward the South Caucasus during the last decade of the 20th century, though inconsistent as it is, has passed through many stages ranging from benign neglect, assertiveness and acceptance of the changed *status quo*. Immediate proximity of the region to Russia's volatile North Caucasus region, instability of which risked triggering "domino effect" and blowing up vertical federal structure of the Russian Federation, is now named among the major reasons that made it imperative for Russia to preserve in a decisive manner its both

[17] See Mesbahi Mohiaddin, "Russian Foreign Policy and Security in Central Asia and the Caucasus", *Central Asian Survey*, Vol. 12, No. 2, (1993), p. 209.

military-political and economic presence in the South Caucasus. However, close analysis of Russia's domestic and foreign policy transformation allows to assume that Russia's goals went far beyond pure security concerns. Perhaps out of overestimation of its capabilities and low-profile threat assessment coupled with bitter domestic power struggle, Russia's political elite chose to instrumentalise instability in the South to serve its ends. All these factors together with Russia's desire to reinstate itself as a major global power forced Russia to seek ways to retain its preponderant position in the post-Soviet space and in the South Caucasus in particular. It is thus important while analyzing the security environment in the South Caucasus after the break-up of the Soviet Union to start with an outlook of the evolution of Russia's policies and mechanisms toward the post-Soviet space that, to a large extent, predetermined the course of events there.

1.2.1. Transformation of Russian Foreign Policy

After the dissolution of Soviet Union in 1991 Russia found itself in a drastically changed external and internal environment. There was a need for re-identification and redefinition of possible external threats and Russia's national interests. This process was complicated by polarization of political arena in Russia that brought into existence various political groups and political parties that differ from each other in political, ideological, institutional motivations and the channels through which they conducted their influence. The particular development of Russian political arena was that those groups transcended the boundaries between the civil and military executive departments, parliament, mass media and public organizations.

In the period from August 1991 to the middle of 1992, the objective of the new Russian leadership headed by president Yeltsin and his close associates including foreign minister Andrey Kozyrev was broad political and economic cooperation with the Western countries. One of the motivation for such a policy of *rapprochement* with the West, was probably an expectation to receive financial aid form the western countries needed so much for the success in domestic reforms.[18] This group was collectively referred to as *Zapadniki* (Westernizers). Another group that included centrists, neo-communists and nationalists saw their primary goal to revive Russian superpower status lost as a result of the collapse of Soviet Union. Advocates of a strong and powerful state were referred to as *Derzhavni*.[19]

Opposition political parties and movements challenging Yeltsin's policy used the new leaderships' lack of political experience, its shortcomings in economic reforms and the nostalgic feelings of people for the "old good days." However, they didn't constrain themselves to the domestic issues. They were searching for foreign policy issues that could serve to undermine pro-western -*Atlantist*- policy of Yeltsin's government and thereby also weaken the government's domestic power.[20] Foreign policy became more and more open to public discussions, which in turn further made Yeltsin vulnerable to the pressure of opposition. Hardliners accused the president and his close associates in conspiracy with foreign states against his own people. They accused Yeltsin of betraying Russia's national interests and argued that the financial aid of the West didn't worth the "unilateral concessions" Yeltsin made

[18] Roger E. Kanet & A. V. Kozhemiakin (eds.) *The Foreign Policy of the Russian Federation*, (London: Macmillan Press Ltd., 1997).
[19] For a detailed account of the different school of thoughts see Alexey G. Arbatov, "Russia's Foreign Policy Alternatives", *International Security*, Vol. 18, No. 2, (Fall 1993).
[20] Allen Lynch and Reneo Hikic, "Russian Foreign Policy and the Wars in the Former Yugoslavia", *RFE/RL Research Report*, Vol. 2, No. 41, (15 October 1993), p. 26.

on such important issues such as START II, Yugoslavia crisis, missile technology exports to India and arms sales to Iran. Inability of Yeltsin to protect Russia's interests in the so-called "Near Abroad" was also criticized.

Bad performance of pro-reform liberal-democratic parties and blocs in Duma elections of 1995 marked a watershed in Yeltsin's domestic and foreign policy.[21] Yeltsin could no more neglect the general rise of ultranationalist feelings among Russians. He gradually distanced himself from the pro-Western group and chose to accommodate the left-dominated Duma rhetoric, despite the considerable political power he had gained with the adoption of the new constitution in 1993.[22] He undertook steps that discredited his reformist image. He dismissed Kozyrev and Anatoly Chubays (the then Deputy Prime minister) – two figures associated with liberal-democratic reforms both in economic and political sphere, and in January 1996 appointed Yevgenniy Primakov, former head of External Intelligence Service (SVR) as Minister of Foreign Affairs.

Appointment of Primakov had two immediate consequences. First, despite some speculations about gradual increase of the role of power ministries (*siloviki*)[23], Primakov ensured change in balance of civil-military relations in favor of more civil control over the foreign and security policy-making. Second, there was a visible shift in Russia's overall foreign policy. In an interview to the newspaper *Izvestia* Primakov warned the West that Russia intended to

[21] Communist party gained 23% of votes and together with Agrarians and Popular Power they had 52% of votes (221 seats in the Parliament with total 450 seats). Liberal Democratic Party (LDPR) of V. Zhirinovsky gained 11% of votes. Pro-government parties and groups gained in sum 26.5% of votes. Figures are taken from Truscott, Peter, *Russia First: Breaking with the West*, p. 175.
[22] See Peter Truscott, Ch.4 "The Duma Elections and Triumph of 'Russia First' ", (1997), pp. 148-197.
[23] This term is a collective name of the Russia's Ministry of Defence, Ministry of Interior and FSB.

play a more active role in international diplomacy. He expressed broad consensus among political elite as well public on the fact that Russia was still world's Great Power.[24]

However, it proved difficult to pursue a foreign policy that would reflect country's status as a "Great Power." Realizing the threat of isolation as a consequence of inability of Russia to influence international affairs as showed developments in the Balkans[25] Primakov adopted the concept of "inclusive multi-polarity." This concept was twofold. First, it envisaged a role for Russia as an independent centre of power (pole) along with the United States, the European Union, China and Japan. Primakov emphasized the role of OSCE as a counterweight to increasing NATO's domination in maintaining international security in Europe. At the same time Primakov stressed the need to defend Russia's interests without getting into a new "Cold War" with the West.[26] The "Founding Act on Mutual Relations, Cooperation and Security between NATO and Russian Federation" signed by Russia on May 29, 1997 reflected a turning point when the need to reach some accommodation with NATO became widely recognized among the Russian political elite.[27]

Second, the "Primakov doctrine" also envisaged increasing Russia's influence and position in the Middle East and Eurasia, while diluting America's strength and influence there.[28] Some analysts speculated that following his "Eurasianist" strand Primakov intended to forge a

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[24] Jeremy Bransten, "Primakov's View of the World", *RFE/RL Newsline*, (March 6, 1996).
[25] Scott Parrish, "Russia's Marginal Role", *Transition*, (July 12, 1996).
[26] Jeremy Bransten, *RFE/RL Newsline*, (March 6, 1996).
[27] Dov Lynch, "Walking the Tightrope: The Kosovo Conflict and Russia in European Security, 1998-August 1999", *European Security*, Vol. 8, No. 4, (1999), p.58.
[28] Ariel Cohen**,** The "'Primakov Doctrine': Russia's Zero-Sum Game with the United States", *Heritage Foundation*, FYI No.167, December 15, 1997,<http://www.heritage.org/library/categories/forpol/fyi167.html#2>, Accessed: February 3, 2002.

new "anti-hegemonic" coalition with China, Iran and Iraq.[29] He reiterated that relations with other CIS countries were a priority for Russia. The "Near Abroad" was asserted a *de facto* Russian sphere of influence and any foreign interference into this region was perceived in zero-sum terms. In this context US strengthening in the Caspian basin by promoting "Silk Road Strategy" as well as oil transportation networks bypassing Russia were viewed as renewed "containment" of Moscow.[30] It is worth mentioning that back in 1994, under Primakov leadership SVR released a report entitled "Russia-CIS: Does the West's Position Need Modification?" The report openly criticized Western leaders who allegedly wished to exploit centrifugal tendencies among the CIS member states in an effort to prevent the re-emergence of a strong Russia on the world stage.[31]

Such Russian "push southward" was most probably a reaction to Russia's weakening position in a number of important international issues. The US air strikes in Afghanistan and Sudan in August 1998 – ostensibly to combat terrorism, the fact that Russia was not even informed about US strikes in Iraq in December 1998 and NATO's unilateral use of force without UN authorisation in Bosnia and later in Kosovo were interpreted as serious military threats to Russia's vital military-political interests. NATO's Kosovo operation was perceived

[29] Z. Brzezinski argues that despite Sino-Iranian weapons trade and Iran's interest in having access to Russian nuclear technologies, such a counter-alliance is nothing but "occasional tactical orchestration" that will not go beyond this due to the fact that it is not in the log-term interests of neither of these states to jeopardize their access to the western technology and investment inflows. See Brzezinski, Zbigniew, "*The Grand Chessboard…"* (N.Y.: Basic Books, 1997), pp. 115-118.

[30] Thomas Ambrosio, "Russia's Quest for Multi-polarity: A Response to US Foreign Policy in the Post-Cold War Era", *European Security*, Vol. 10, No. 1, (Spring 2001), p. 51.

[31] Marian Leighton, "From KGB to MFA: Primakov Becomes Russian Foreign Minister", *Post Soviet Prospects*, Vol. IV, No. 2, (February 1996), <http://www.csis.org/ruseura/psp/pspiv2.html>, Accessed: February 3, 2002.

as a precedent for future "out-of-area" operations in the regions where Russia has traditional interests.[32]

Some analysts in Russia argued that NATO's involvement in the Caucasus would result in consolidation of its military presence in the region and argued that the only way to prevent such an outcome was to implement a well-defined tough policy in the Caucasus.[33] Western employment of large-scale forces in the Balkans lifted a Russian taboo against the use of military force as an instrument for resolving ethnic problems and conflicts that followed the first war in Chechnya of 1994-1996.[34] Russian leaders revised military and security doctrines, stressing the continuous relevance of military force in international relations.

The provisions of new National Security Concept of Russia adopted by Russia's new President V. Putin showed that he generally supported the foreign policy prescriptions of "Primakov doctrine" (See below, p. 23). According to this document the conscious and active construction of multipolarity is to be one of the prerogatives for Russian foreign policy for the years to come. Although Russia's long-term goal to revive Russia's Global Power status is still there, Russian new political elite seems to have given up illusions that it can be achieved overnight.[35] The new government of Putin is faced with the challenge to combine military potential, geopolitical opportunities and economic weakness. In his "State of the Nation"

[32] Stephen J. Blank, "Threats to Russian Security: The View from Moscow", p. 4.
[33] *Nezavisimoye Voyennoye Obozreniye*, Moscow, in Russian, no. 42, November 6-12, 1998 cited in Stephen J. Blank, (2000), p. 9.
[34] Alexei G. Arbatov, "The Transformation of Russian Military Doctrine: Lessons Learned From Kosovo and Chechnya", George C. Marshall European Centre for Security Studies, Paper No. 2, (July 2000), p. 2.
[35] V.Putin is quoted to say, "that Russia is living through one of the most difficult periods in its centuries-old history. Perhaps, for the first time during the last 200-300 years Russia faces real threat to find itself among second or better yet third ranked states", cited in Vacheslav Nikonov, " 'Doktrina Putina' v tselom uje yasna", in Russian, (All in all Putin's Doctrine is clear), "*Nezavisimaya Gazeta*", No. 10 (30), June 21, 2001.

address President Putin stated that although "the era of confrontation is over, the bitter competition – for markets, investments and political and economic influence – is a permanent fixture of the present-day world. In this struggle Russia must be strong and competitive."[36] V. Putin seems to realise that any successful foreign policy should be based on domestic reforms and improvement in the economic situation, otherwise, he argues, "we [Russia] will always be on the losing side while our political and economic opportunities in the world will be shrinking."[37] President Putin stressed that "Russia's foreign policy would in the future continue to be built on purely pragmatic basis, in line with [Russia's] capabilities and national interests – military-strategic, economic and political."[38] In other words, V. Putin is trying to formulate such a foreign policy that the country can cope with.[39]

In the short-term Russia's strategy seems to be prevention at all cost of further marginalisation of its status of multi-regional power. In this regard, the CIS, where Russia is still influential, is given special consideration. President Putin considers the CIS to be "a major factor of stability in a large part of the world."[40] Robert Legvold, explaining this prioritisation of the CIS in Russia's foreign policy, argues that:

> Russians realize that they still have potent influence within their immediate neighbourhood and that if that neighbourhood is important to the larger world, Russia must be important as well. Russian elites, including the president, quite consciously see their capacity to shape events in Central Asia, the Caucasus, Ukraine, Belarus, and Moldova as a key to strengthening their international standing.[41]

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[36] See President Putin's "State of the Nation" Annual Address to the RF Federal Assembly, April 18, 2002, (Full English translation appeared in *International Affairs* (Moscow), Vol. 48, No. 3, 2002, pp.1-16).
[37] Ibid.
[38] See President Putin's "State of the Nation" Annual Address, (2002).
[39] See Vitalii Tretiakov, "Putin's Pragmatic Foreign Policy", *International Affairs,* (Moscow), Vol. 48, No. 3, (2002), p. 17.
[40] See President Putin's "State of the Nation" Annual Address, (2002).
[41] Robert Legvold, "Russia's Unformed Foreign Policy", *Foreign Affairs*, (September/October 2001).

1.2.2. The Role of the Military Establishment

Since the establishment of the Ministry of Defense (hereafter MoD) in May 1992 the role of the military in Russian domestic and foreign politics gradually increased. On 1 July 1992, Defense Minister Grachev stated that "in conditions of civil chaos, clashes and reprisals, only the army can save thousands of lives, preserve morsels of good and defend what is sacred."[42] Russian political establishment attached great importance to the stance of the military in domestic political arena.[43] Various political parties and groups instrumentally used the problems of the army to gain its sympathy. Grachev's support for the president during the political crisis between the president and the parliament in October 1993 that culminated in shelling of the Parliament drastically changed civil-military relations.[44] Though the military didn't get as much power as was predicted by some analysts[45], nevertheless, Grachev gained direct access to the president. In the domestic political setting of Russia direct access to the president was crucially important in the power struggle with other power ministries.

After this tacit support of the president, the MoD became more and more influential in foreign and security policy formulation. Grachev took an active stance on various conflicts in the "Near Abroad." He sought to assume full control over the direction of military policy in the FSU. He persuaded Yeltsin to abandon the CIS Joint Armed Forces concept (CIS JAF)

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[42] Chapter 3: "Russian Military Approaches to the Near Abroad" in Dov Lynch (ed.) *Russian Peacekeeping Strategies towards the CIS*, (London: Macmillan Press & RIIA, 2000), p. 62.
[43] Indeed votes of more than 250,000 strong troops stationed in the FSU were a large source of influence in the domestic politics, especially during the elections campaigns.
[44] Hans-Henning Schroder, Ch. 3, "The Russian army in politics" in Roy Allison & Christoph Bluth (eds.) *Security Dilemmas in Russia and Eurasia*, (London: RIIA, 1998), p.51.
[45] See Brian D. Taylor, "Russian Civil-Military Relations After the October Uprising", *Survival*, Vol. 36, No. 1, (Spring 1994), pp. 3-29.

known as "Shaposhnikov Doctrine." On June 15, 1993 the High Command of the CIS forces (CIS HC) was replaced by Joint Staff for Coordination of Military Cooperation (SCMC). Since 1994, SCMC together with Council of Defense Ministers (CDM) have *de facto* become the relevant bodies of the Collective Security Treaty (CST) created in May 15, 1992 – all defense and security cooperation within the CIS having been concentrated among members of the CST.[46] Grachev also strived to activate the CST, key provisions of which remained "frozen" for a long time. Under the pressure of the Russian military, Azerbaijan and Georgia were forced to sign the Tashkent agreement (a cornerstone of the CST) in September 1993. After they entered the CST the composition of the CST became identical to the CIS security bodies. This enabled the formerly purely CIS bodies to be used for the purposes of the collective security framework.[47] With these developments the only remaining purpose of the CIS military structures was taking over collective security mission of the CST. Though the Tashkent treaty is referred to as "collective security" it is dealing more with the "collective defense." The agreement was deliberately kept separate from the peacekeeping instruments of the CIS, because the MoD was not willing the CST to be used to resolve numerous conflicts between CIS states. The MoD intended to transform FSU into an "integrated military-political space" and underlined that the main purpose of the military policy of the CIS was to guarantee protection of the CIS from external threats.

[46] See Andrey Zagorski Ch. 14, "Regional Structures of the Security Policy within the CIS", in Roy Allison & Christoph Bluth (eds.) *Security Dilemmas in Russia and Eurasia*, (London: RIIA, 1998), p.284.
[47] See Andrey Zagorski, "Regional Structures of the Security Policy within the CIS," p. 283.

1.2.3. Continuity and Change in Russian Security Policy at the Doctrinal Level

Russian policy toward the FSU under the influence of military establishment gradually transformed from benign neglect to assertive pro-active policy. This shift to more assertive policy toward the "Near Abroad" was reflected at the doctrinal level. National Security Concept, Military Doctrine as well as Foreign Policy Concept are key security documents providing the guidelines for state policy of Russian Federation (RF).[48]

The Russian military doctrine was drafted by the MoD and adopted by the decree of the president on November 2, 1993. National Security Concept of RF was signed by Yeltsin few months before in April 3, 1993. It is noteworthy that as a "payoff" to Grachev for his support during the notorious "October events" of 1993, Yeltsin dismissed the previous military doctrine, prepared by the Center for Operational Strategic Research of the General Staff in May 1992, and favored the new version, prepared by the MoD. It implicitly assumed that the borders of the Russian security zone corresponded with those of the CIS. Russia took over the mission of protecting "external" borders of the CIS. Analysts interpreted this self-imposed mission as a kind of "*Monroe doctrine*"[49] in the former Soviet space. The main threats to the peace and stability of Russia were believed to emanate from the local armed conflicts on Russia's south periphery. This doctrine legitimized the use of force in response to the threats to the RF, its military installations in the foreign states. For the first time "suppression of the rights

[48] These doctrines are defined as a system of views on how to ensure the security of the individual, society and state against external and internal threats, as well as safeguarding the Russian Federation's military security.

[49] The Monroe Doctrine was a diplomatic decision expressed during President Monroe's seventh annual message to Congress, December 2, 1823, which aimed to limit European expansion into the Western Hemisphere.

of Russian speaking population abroad" was indicated to be a threat to Russia. The build-up of groupings of troops near Russia's borders, which could disrupt the "correlation of forces", was also perceived as a threat. Such traditional Soviet-style determination of military threats based on purely military capabilities indicates that Russia regarded relations with NIS in zero-sum terms.[50]

Another important feature is that the doctrine envisaged deployments of Russian troops outside of the territory of the RF and use of force in the FSU to maintain its security. "Peacekeeping" operations were referred to as an important tool in conflict resolution on the territory of the CIS.[51] CST was emphasized as a main mechanism of maintaining security and stability in the territory of the FSU.

In the strategic context, the doctrine abandoned the "no-first-use" (NFU) pledge given by the Soviet Union. The abandonment of the NFU pledge was justified by the declining conventional capability in the post-Soviet period. Russia reserved the right to use nuclear weapons in response to a conventional attack, if other means are proved insufficient or exhausted.[52]

The Military Doctrine of 1993 as well as National Security Concept was subject to debate among the wide political spectrum ranging from General Staff, MoD and other key officials responsible for security decision-making. In fact this debate turned into a political

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[50] See James F. Holcomb and Michael M. Boll, "Russia's New Doctrine: Two Views", Strategic Studies Institute, United States Army War College, Carlisle Barracks (July 20, 1994), p. 2 <http://www.fas.org/nuke/guide/russia/doctrine/thrussec.htm>, Accessed January 24, 2002, p. 3.

[51] Dov Lynch, "Russian Military Approaches to the Near Abroad", (2000) p. 79.

[52] As argues Kenneth N. Waltz, second–strike nuclear capabilities decouple military power from economic capability and can provide time for such state as Russia with its resources and large military force to put its economy and society back together and if Russia manages to hold together it remains Great Power. See Kenneth N. Waltz, "The New World Order" in *Millennium: Journal of International Studies*, Vol. 22, No. 2, (1993), p. 191.

struggle between these bodies, because the winner in this struggle would get decisive leverage over determination of Russia's appropriate national security policies and strategies. This probably was one of the reasons why revision of the doctrines that started in 1996 continued up until 2000, and came into agenda with the election of V. Putin as a president.

Adoption of NATO's new strategic doctrine at the 50th Anniversary summit of NATO in April 1999 that authorised NATO to intervene beyond its traditional "area of responsibility", NATO *de facto* enlargement in 1999, as well as NATO bombings in the former Yugoslavia without the UN authorisation even further pressed for revision of previous doctrines. Russian leadership was uneasy with the growing role of NATO in European security. The then Russian defence minister General Igor Sergeyev and Deputy Chief of the General Staff Colonel-General Valery L. Manilov admitted that Kosovo crisis led to revisions of the draft doctrine.[53]

Though NATO operations in Kosovo as well eastward enlargement indeed could be interpreted as political threats to Russia that potentially could marginalize Russia's role in the European and perhaps Eurasian security process,[54] they were far from a military threat to Russia.[55] However, the Russian military staunchly viewed these developments as an indication of growing military threats. The reason behind this exaggerated threat assessment was probably the fact that Russian military was uneasy with the December 1997 security concept, because it considerably reduced the role of the military in maintaining Russia's security. It clearly stated that foreign countries did not pose a threat to Russia's security. Crime, corruption, poorly

[53] Stephen J. Blank, "Threats to Russian Security: The View from Moscow", (Strategic Studies Institute, United States Army War College, Carlisle Barracks July 2000) p.3 <http://www.fas.org/nuke/guide/russia/doctrine/thrussec.htm>, Accessed January 24, 2002.
[54] Stephen J. Blank, "Threats to Russian Security: The View from Moscow", p. 4.
[55] Ariel Cohen "NATO Enlargement is No Threat to U.S.-Russian Relations", The Heritage Foundation, Executive Memorandum, No. 510 February 26, 1998, <http://www.heritage.org/library/execmemo/em510.html>, Accessed: February 5, 2002.

managed economy, poverty, and social malaise within the country were considered to pose the real dangers. NATO's unilateral use of force thus was an opportunity in hands to reverse this trend. The military doctrine and security concepts were revised and provided general security strategy framework that reflected new trends in international arena. The new National Security Concept (NSC) of 2000[56] perceives NATO's use of military force beyond the zone of its responsibility and without the sanction of the UN Security Council as the threat to national security of RF and warns that this can destabilize the strategic situation in the world. The new NSC is more specific in pointing out that the trend towards the emergence of a multipolar world is opposed by:

> The attempt to create a structure of international relations based on the domination of developed Western countries, led by the USA, in the international community and providing for unilateral solution of the key problems of global politics, above all with the use of military force, in violation of the fundamental norms of international law.[57]

At the same time, it underlines that "some states (presumably the US) have stepped up their efforts to weaken Russia's positions in the political, economic, military and other spheres". NSC warns "the attempts to ignore the interests of Russia when tackling major problems of international relations, including conflict situations, can undermine international security and stability and slow down the ongoing positive changes in international relations". Concern is also expressed at "the weakening of the integration processes in the Commonwealth of Independent

[56] Approved by Presidential Decree No. 1300 of 17 December 1999 (given in the wording of Presidential Decree No. 24 of 10 January 2000).

[57] Excerpts are taken from the National Security Concept of the Russian Federation, Full English translation from *Rossiiskaya Gazeta*, January 18, 2000, <http://www.fas.org/nuke/guide/russia/doctrine/>, Accessed January 24, 2002.

States" and "the appearance and escalation of conflicts close to the state borders of the Russian Federation and the external borders of countries members of the CIS."

Amidst the threats to the national security of RF are included "…the attempts of other states to hinder the strengthening of Russia as a center of influence in the multi-polar world, prevent the implementation of its national interests and weaken its positions in Europe, the Middle East, the Transcaucasus, Central Asia and Asia Pacific".

The revised Russian Federation military doctrine (hereinafter "military doctrine")[58] elaborates on the 1993 "Basic Provisions of the Russian Federation Military Doctrine" and in general follows the overall pattern of the new NSC. Though it emphasizes the "diminished threat of initiation of world war (including nuclear war)"[59], according to the doctrine military-political situation in the world is still characterized by such destabilizing factors as "escalation of local wars and armed conflicts, …activation of separatism and …strengthening of national-ethnic and religious extremism", that generate "… a number of potential external and internal threats to the military security of Russian Federation…in a number of directions." The documents states that in order to ensure its national security:

> The Russian Federation may station limited military contingents (military bases) on a treaty basis in strategically important regions of the world to ensure readiness to perform its obligations, assist in forming and maintaining a stable military-strategic balance of forces, and react adequately to the appearance of crisis situations in their initial stage.[60]

Clearly many of the provisions of the new military doctrine and national security concept were designed for external consumption. Emphasis is made that Russia is a regional

[58] Approved by Russian Federation Presidential Decree of April 21, 2000.
[59] Excerpts are taken from full English translation by British Broadcasting Corporation, BBC Worldwide Monitoring - October 11, 1999, <http://www.fas.org/nuke/guide/russia/doctrine/>, Accessed January 24, 2002, Full text in Russian was published in *Nezavisimaya Gazeta*, No. 74 (2136), April 22, 2000.
[60] From the National Security Concept of the Russian Federation

center of power in an emerging multi-polar world. Any military activities (including build-up of forces, creation of military blocs and alliances) in its immediate proximity (presumably CIS) to the detriment of Russia's military security (and its allies i.e. mainly CIS states) will be considered a threat to Russia's national interests and Russia reserves the right to defend its interests with all means available including use of force.

The provision that envisages use of tactical nuclear weapons (TNW) in conventional threat scenarios (small-scale conflict) indicates that nuclear weapons besides its traditional role of deterrence were also assigned political function to prevent states from actions that violate Russia's national interests.[61]

1.3."The Last Surge South"[62] - Neo-imperialistic Ambitions or Russia's Legitimate Concerns?

Russian policy toward the FSU and the South Caucasus in particular was thus a reflection of domestic political situation and a broad geopolitical environment in the world. The Russian liberal government from 1991 until the mid-1992 focused predominantly on the domestic economic and political reforms and had not the clear-cut strategy in regard of the Caucasus. It chose simply to "get rid" of the "Caucasian problem" by withdrawing both militarily and politically from the region. [63] However, since mid-1992, when "Eurasianist" views gained popularity in Russia's political discourse, the Caucasus became once again one of the key regions towards which Russian political and security elite re-defined its policy. The primary

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[61] Stephen J. Blank, "Threats to Russian Security: The View from Moscow", p. 10.

[62] I borrowed this phrase from the title of the notorious book *Posledniy Brosok Na Yug*, by V. Zhirinovsky, leader of ultra-right LDPR party of Russia. The book reflects two important, interrelated domestic and foreign policy issues: deep hostility toward the inhabitants of the southern rim of the former Soviet Union, many of them of Turkic origin and the fear of "southern" expansion into the Russian heartland.

[63] See Maxim Shashenkov Ch. 20 "Russia in the Caucasus: interests, threats and policy options," in Vladimir Baranovsky (ed.) *Russia and Europe: The Emerging Security Agenda*, (UK: SIPRI, Oxford University Press, 1997), pp. 441-452.

reason for the Russian engagement in the South Caucasus was sited to be the regional conflicts that had spill over potential.

The US and several European countries originally regarded the conflicts on the post-Soviet space as "inter-ethnic" internal conflicts and chose not to meddle into them due to the lack of resolution mechanisms and partially because of unwillingness to jeopardize relations with Russia. The US until 1994 had a "Russo-centric" approach toward the FSU and was ready to accept Russia's security concerns in the war-torn South Caucasus and Central Asia.[64] Few doubted that "instability in the Southern tier" was a grave challenge that somehow needed to be met. During the Russo-American summit US President Clinton is quoted to say that:

> You [Russians] will be more likely to be involved in some of these areas near you, just like the United States has been involved in the last several years in Panama and Grenada near our area. [65]

However, with time, Russia's assertiveness in the South Caucasus illustrated that Russia developed an expansive concept of security that envisaged restoration of its predominant position in the region. Russia's inconsistent security policy in fact meant insecurity for its neighbors and on many occasions threatened Russia's own security. Interestingly, escalation of the conflicts in the South Caucasus coincided with Russia's policy shift toward the Caucasus. The fact that the conflicts in the South Caucasus were instigated by Moscow in late 1980s in order to prevent the region from slipping away is well documented.[66] The military that played

[64] After the dissolution of the USSR the priority for the USA in dealing with Russia and post-Soviet republics was the issue of non-proliferation of the Soviet nuclear heritage that remained in some former Soviet republics such as Ukraine, Kazakhstan and Belarus. That is why the US administration chose not to capitalize on differences on other issues that could complicate the nuclear issues.
[65] As quoted by Zbigniew Brzezinski, in "Premature Partnership", *Foreign Affairs*, Vol. 73, No. 2, (March-April 1994), p. 70.
[66] See, for instance, Igor Nolyain, "Moscow's Initiation of the Azeri-Armenian Conflict", *Central Asian Survey*, Vol. 13, No. 4, (1994), pp. 541-563; John Colarusso, "Abkhazia", *Central Asian Survey*, Vol. 14, No.

the most prominent role in the Russian security policy in Russia's southern strategy from the outset argued for the active engagement into the South Caucasus and justified the need for Russia's military presence there by the on-going conflicts. At the same time, using geopolitical concepts the military establishment argued that unless Russia retains its military power in the NIS, it would suffer geopolitical loss that could potentially bring to the disintegration of RF itself. The military warned that unless Russia retained control over the key strategic areas such as South Caucasus and Central Asia, the neighboring states Turkey, Iran and probably China would fill the "power vacuum" to the detriment of Russia's long-term geopolitical interests.[67] Back in the mid-1992, when Russia's objectives in the FSU were still ambiguous Colonel-General Igor Rodionov unequivocally affirmed, "that all Commonwealth states are in the sphere of Russia's vital interests."[68]

Russia's over reliance on the military means and desire to emplace military bases on the soils of NIS was considered by the regional and Western governments to be the first step in enforced absorption of these states back into the Russian "sphere of influence." It was this trend that prompted many to conclude that Russia had neo-imperialist designs to restore in this form or another, if not a sort of union of NIS then a kind of integrated defensive bloc comprising of the FSU states (except Baltic States) at the expense of their sovereignty.

It should be noted however, that though Russia tried to establish mechanisms of economic integration from the outset, Russia attempted to pursue CIS integration with special

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1, (1995), pp. 75-96; Robert Bruce Ware, "Conflict in the Caucasus: an Historical Context and a Prospect for Peace", *Central Asian Survey*, Vol. 17, No. 2, (1998), pp. 337-352.

[67] Tatiana Shakleina, "Russian Policy Toward Military Conflicts in the Former Soviet Union", in Bruce Parrott (1995), p. 93

[68] See Dov Lynch, "Russian Military Approaches to the Near Abroad", (2000) p. 73.

emphasis on the military-security and political integration.[69] Though Russia's policy toward the South Caucasus hardly resembled to sustainable and well-coordinated strategy still we can identify military-strategic, political and economic directions closely intermingled with each other along which Russian ruling elite shaped its policy in the region.

1.3.1. Russia's Military-Strategic Interests in the South Caucasus

Russian military-strategic interests in the South Caucasus are manifold. During the USSR period the Caucasus was divided into Trans-Caucasus Military District (MD) and the Transcaucasus Border Guard District and North Caucasus MD. This region represented one of the most militarized areas, not only in the former Soviet Union but also in the world.[70] During the Cold War the Caucasus was a part of Soviet Union's Southern Theatre for Strategic Military Action (TSMA)[71], which was an important element of Soviet's power projection capabilities into the Near and Middle East.[72]

The split of tremendous Soviet military machine and the "nationalization" of many of its elements by the NIS in the aftermath of the dissolution of the USSR was indeed a disastrous development that caused a real shock to the military establishment.[73] Unable to hold together

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[69] According to the statistics, the lion's share of Russia's foreign trade in 1995 was with the states outside of CIS area. In 1995, its exports to countries outside of CIS accounted for 78,4% of the total and imports from these countries for 68,9%. (Figures are taken from Hannes Adomeit, "Russian National Security Interests" in Allison & Christoph Bluth (ed.) *Security Dilemmas in Russia and Eurasia*, (London: RIIA, 1998, p.44);

[70] See Sergey Koulik and Richard Kokoski, (ed.) *Conventional Arms Control: Prospects and Verification*, (Oxford-New York: Oxford University Press, 1992), p.112.

[71] Philip A. Petersen, "Turkey in Soviet Military Strategy", in *Foreign Policy* (DPE), Vol. 13, Nos. 1-2, Istanbul, (1985), pp. 62-86.

[72] Thomas McNaugher, "Soviet Military Threat to the Gulf" in *US Strategy and the Persian Gulf*, Washington, D.C: (The Brooking Institute Press, 1985), pp. 28-29.

[73] See Allison, Roy, "Military Forces in Soviet Successor States", ADELPHI Paper 280, London: IISS (1993), pp. 109-115.

Soviet military infrastructure under single military command, which was essential to sustain Russia's previous military might, Russian military establishment chose to develop toward the FSU a strategy of "forward basing" that would enable Russian MoD to have access to the military assets on the territories of NIS. The concept of forward basing or extended Russian security zone required progress in a number of interrelated aspects of CIS multilateral military coordination, especially joint border protection, air defence and peacekeeping operations in the conflicts around the CIS. However it was not an easy task. Russian military leadership was faced with numerous challenges. First, it was extremely difficult to maintain stable public support for a large-scale military involvement in the "Near Abroad." Though most Russians regret that their country "is no longer one-sixth of the globe – a scale they were accustomed to,"[74] more and more Russians opposed to Russian involvement into the conflicts outside Russia's borders. Public reaction to the war in Chechnya confirmed this trend.[75] The real challenge was, however, how to match Russia's ambitions with the requisite economic and military capabilities. Resource shortages fundamentally restrained Russian military engagement in FSU. For example, the MoD was unable to extract concessions for the Military Industrial Complex (VPK) in the 1994-1995 budgets.[76]

Geostrategic location of the South Caucasus was also of great importance to Russia. Region's unique geographical location between the Black Sea and the Caspian Sea indeed

[74] Sergey Rozgonov is cited in Ch. 1 "Russia First and a Return to History", in Truscott, Peter, (1997), p. 11.
[75] In 1994 68% of respondents of conducted poll saw the greatest threat for Russia's security from domestic sources, whereas only 13% from outside. Figures are taken from survey commissioned by Media & Research Dept. of RFE/RL Research Institute and conducted by ROMIR, sited in Mikhail Tsypkin, "The Politics of Russian Security Policy" Ch. 2 in Bruce Parrott (1995), p. 34.
[76] Instead of requested 115 trillion rubles the draft budget of the Ministry of Finance for 1995 set spending on national defence only at 45,275 trillion rubles. Figures are taken from Julian Cooper, "Defence Industries in Russia and Other Post-Soviet States", Chap. 4, in Bruce Parrott (ed.) *State Building and Military Power in Russia and the New States of Eurasia*, (New-York – London: M.E. Sharpe, 1995), p.78.

served throughout the centuries the role of a bridge or barrier for Russia, depending on the international situation. In the aftermath of the dissolution of the Soviet Union the South Caucasus was supposed to be a *cordon sanitaire* against instability emanating from the South.[77]

Georgia was perceived by Russian military strategists to be a key component in Russia's security policy in the South Caucasus. Given that in the first years of its independence Azerbaijan took an open anti-Russian stand, Russia could become isolated from its traditional ally in the region – Armenia.[78] Thus, a pro-Russian Georgia was crucial for Russia to have land access route to Armenia.[79] In the context of *rapprochement* between Russia and Iran, Georgia and Armenia could be a natural corridor for trade and communications networks with Iran. Moreover, Georgia is situated in the strategically important area on the Black Sea coast. After the dissolution of the Soviet Union, Russian Black Sea coastline reduced to 300 km. Added to the conflict with Ukraine over the division of Black Sea fleet and dispute over the access to the naval bases in Crimea, Russia could not afford the loss of naval infrastructure along the Georgian Black Sea coast. During his visit to the region early in 1993, Grachev unequivocally stressed:

> I will only say that this is a strategically important area for the Russian army. We have certain strategic interests here and must take every measure to ensure that our troops remain: otherwise we will lose the Black Sea.[80]

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[77] See Duygu Bazoðlu Sezer, "Russia and the South: Central Asia and the Southern Caucasus", *European Security*, Vol. 5, No. 2, (Summer 1995), pp. 303-323

[78] The loss of the land linkage with the Russian military bases in (Gumry) Armenia that Georgian territory provided could indeed potentially decrease maneuvering capabilities of Russian troops in the region.

[79] In October 1993 Russia signed an agreement with Georgia "On the Procedures of the Passing of Military Technology of the Russian Federation, as well as Armaments and Equipment" and the Procedures of Transit of Other Military Cargo Through the State Border of the Republic of Georgia".

[80] Grachev, quoted in Dov Lynch, "Russian Military Approaches to the Near Abroad", (2000), p. 137.

Besides, the outbreak of hostilities in Chechnya altered the function of Russian group of forces in Georgia: if before their primary role of these forces was to check Turkey's influence, after the break out of war in Chechnya Russia sought to use its troops in Georgia against Chechen insurgents that allegedly infiltrated through uncontrolled Georgian-Chechnya border. On many occasions Russian authorities accused Georgian government of providing safe heaven for the Chechen guerrilla fighters.

One of the first signs of Russian policy shift in the South Caucasus could be detected in January 1993 when an announcement was made concerning the formation of the GRVZ (Group of Russian Troops in Transcaucasus) with the ultimate aim of preventing total withdrawal of the Russian forces from the region (See Map 4). The GRVZ included almost all the former Soviet forces that remained in Georgia. In 1993-1994 it consisted of 20,000 troops (See Table 1).[81] This decision was logical conclusion of a process of change of attitude toward the residual military presence in the South Caucasus. In January 1994, at a meeting with ambassadors from the CIS and Baltic states Kozyrev emphasized the need to preserve the Russian military presence in the FSU and called the proposals to withdraw Russian troops from the CIS "extremist."[82] In April 1994, Yeltsin issued a decree for the Russian Foreign Ministry and MoD to negotiate and sign agreements on setting up some 30 Russian military bases in the CIS states. This decision marked the first practical step in Russian effort to establish the basic infrastructure for a forward security zone in the CIS region.[83]

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[81] Figures are taken from *The Military Balance 1993-1994*, (London: International Institute for Strategic Studies (IISS), 1993).
[82] Tatiana Shakleina, "Russian Policy Toward Military Conflicts in the Former Soviet Union", in Bruce Parrott (1995), p. 93.
[83] Roy Allison, Ch. 1, "The Network of New Security policy Relations in Eurasia", in Roy Allison & Christoph Bluth (ed.) *Security Dilemmas in Russia and Eurasia*, (London: RIIA, 1998), p.14

One of the main obstacles for Russia's "forward deployment" strategy was the CFE treaty. In early 1993, a year before assault in Chechnya, Russian defence minister Pavel Grachev, returning from an inspection tour of military units in the Caucasus, stated that the "geopolitical situation has changed" since the CFE treaty had entered into force and that Russia "now finds it necessary to reconsider the armed quotas envisioned by Article V of the CFE treaty for the flank zones."[84] Russian leadership argued that whereas previously the North Caucasus MD was considered a rear area, it was now a border district. Even before the war in Chechnya North Caucasus had become more important to Russia, than it was to the Soviet Union. According to Pavel Grachev, "instability in the Caucasus and neighboring regions and the increasing of separatism and extremism necessitates a significant Russian military presence in the North Caucasus in order to prevent and deter potential conflicts and insure against the destabilization of the situation on the European continent as a whole."

Justifying its excessive military presence in the North Caucasus by the conflict in Chechnya, Russia failed to comply with the CFE treaty provisions by the deadline set in November 1995. The unexpectedly prolonged and bitter struggle with the Chechen guerrillas prompted Russian authorities to further strengthen their permanent presence in the North Caucasus. On June 1, 1995, the chief of the Russian Ground Forces, Colonel-General Vladimir Semenov, announced that in order to "maintain stability and tranquility" in the region the 58th Army had been formed, with its headquarters in Vladikavkaz (North Ossetia).[85]

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[84] See Jeffrey D. McCausland, "Conventional Arms Control and European Security", ADELPHI Paper – 301, (1996), p. 23.

[85] Douglas L. Clarke, "Russia and the CFE Treaty", *Post Soviet Prospects*, Vol.3, No.6, 1995, <http://www.csis.org/ruseura/psp/pspiii6.html>, Accessed: February 8, 2002.

Azerbaijan and Georgia fearing that Russia could abuse the flank agreement of the CFE treaty to increase its own weapons entitlements or legitimize deployment of its equipment on their territories (in case of Georgia) expressed concern about Russia's "over concentration of forces" in the North Caucasus.[86] However, in order not to jeopardize overall CFE treaty and not to worsen relations with Russia, that were already tense over the "Eastward enlargement" issue, NATO countries declared Russian deployments exceeding its quotas as "technical non-compliance…that is not militarily significant to NATO"[87] and signed on May 15, 1997 the "Flank Document" that allowed higher quotas of TLE for Russia in the North Caucasus and allowed temporary over deployment of forces.[88]

As a part of its "forward basing" strategy, Russia also strived to deploy its border-guards along the outer "non-CIS" borders. Though geopolitical calculations were important in adopting such a policy, the fact that MoD did not have additional resources to build a new border-protecting defense infrastructure along its new southern borders should not be underestimated either. Besides, Russian authorities claimed that Chechen guerilla fighters received logistical support from Muslim countries in the South, which was carried out through poorly controlled Russian border with South Caucasian states. Threat of Islamic fundamentalism was also cited among the reasons for Russian protection of borders in the

[86] During the negotiations on Flank dispute as one of the possible solutions Grachev offered transferring of part of the TLE allocated to Azerbaijan, Armenia and Georgia, to Russia, which would have increased Russian quotas at the expense of these states. While Azerbaijan and Georgia rejected this proposal, under the pressure of Russia, both Azerbaijan and Georgia were forced to accept equal reapportion the Soviet TLE among them according to the Tashkent treaty of May 15, 1992.

[87] For more details on Russian CFE treaty non-compliance see <www.armscontrol.org>.

[88] It should be noted however, NATO members, led by the United States, have indicated they would not ratify the so-called adaptation agreement, until Russia meets the weapons limits set out in the agreement. Wade Boese, "Russia Pledges CFE Compliance; U.S. Stresses Need for Action", *Arms Control Today*, (December 2000).

South Caucasus. Though these immediate threats were a source of anxiety for Russia, in the long-term Russia's preoccupation was to seal off the South Caucasus from external security policy influences and ties that potentially could marginalize Russian influence in this region.

At the CIS summit of May 1995 held in Minsk, Russia proposed an agreement on the protection of external CIS borders. Five states, namely Ukraine, Moldova, Azerbaijan, Uzbekistan and Turkmenistan refused to sign the document. Motivation of these states was clearly expressed by Ukrainian president Kuchma who was quoted to say that "there is no external borders of the CIS but each state has its own external and internal borders."[89] As a result, Russia managed to develop cooperation in the border protection only with states that were willing to accept Russian border-guards. In the South Caucasus only Armenia, guided by its traditional "*Turkphobia*", allowed Russia to protect its border with Turkey and Iran. Georgia, due to the Russian pressure, which used the domestic turmoil in the country to advance its interests, also agreed on Russian deployment of troops along its borders with Turkey. Azerbaijan until recently was also subjected to Russia's pressure to allow Russian troops on its soil.

Another important tool in maintaining Russia's extended security zone was the so-called "peacekeeping strategy" that was gradually developed to deal with the numerous conflicts throughout the CIS. This strategy emerged as a result of a long quest by the civilian and military agencies responsible for security and foreign policy making for the mechanisms to advance Russia's interests in the South Caucasus. Through "peacekeeping operations" Russia sought to boost its role as a "key security guarantor" in the CIS. At the same time, it secured Russian

[89] Taras Kuzio and Jennifer D. Moroney, "Ukraine and the West: Moving from Stability to Strategic Engagement", *European Security*, Vol. 10, No. 2, (Summer 2001), p. 118.

military presence (albeit by "blue helmets") in the strategically important regions, while rebuffing the West's accusations of Russian neo-imperialistic ambitions. Thus, from the outset, political principles and philosophy of Russian peacekeeping developed within the framework of Moscow's evolving perspectives of the "Near Abroad." The ability of Russia to become an effective peacekeeper in the FSU and elsewhere was linked with Russia's status and prestige in international affairs that was believed to be imperative for Russian traditional desire to maintain geopolitical influence and strategic positions in Eurasia. Senior military officials expressed concern that Russia's inaction and failure to take the lead in the conflict resolution in the FSU could prompt the direct military involvement of Western powers and NATO in the CIS.[90] Russian strategists also feared that Russia's failure to settle local conflicts and its inability to lead CIS peacekeeping operations would put the CIS at the risk of disintegration.[91]

Russian "peacekeeping operations" however, failed to comply with the guidelines set forth by the UN.[92] Russians argued that ethnic conflicts on the territory of the FSU could not be contained by traditional principles of peacekeeping, such as consent of all parties concerned, impartiality and the use-of-force only in self-defence.[93] Nevertheless, Russia was seeking recognition of the CIS as an international organization under Chapter VIII of the UN Charter in order to acquire mandate from the UN and/or the OSCE for peacekeeping operations in the

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[90] Maxim Shashenkov, "Russian peacekeeping in the 'Near abroad' ", *Survival*, Vol. 36, No. 3, (Autumn 1994), p. 50.

[91] Rogov, 'Rol' OON I Drugih Mejdunarodnih Organizatsiy v uregulirovanii Krizisnih Konfliktnih Situatsziy', in Russian cited in Maxim Shashenkov, (1994), p.51.

[92] See Anna Kreikemeyer and Andrei V. Zagorski, "The Commonwealth of Independent States (CIS)" in Roy Allison (ed.) *Peacekeeping and the role of Russia in Eurasia*, (1995), p. 157; see also Bakhtiyar Tuzmukhamedov, "The Legal Framework of CIS Regional Peace Operations", in *International Peacekeeping*, 6/1 (2000).

[93] See MAJ Raymond C. Finch, III, US Army, "The Strange Case of Russian Peacekeeping Operations in the Near Abroad 1992-1994", Foreign Military Studies Office, Fort Leavenworth, KS, (July 1996), <http://call.army.mil/call/fmso/fmsopubs/issues/rus-pko/rus-pko.htm>, Accessed: January 2001.

FSU.[94] Russian analysts based Russian/CIS armed operations on the international law principle of "legitimate intervention" into a conflict in another nation's territory at the request of that other nation.[95] However, this definition is subject to question as there is solid evidence suggesting that Russia using domestic instability in Moldova and Georgia forced their central governments to "request" Russian peacekeeping forces on their territories that in reality meant an open involvement of Russian troops on the side of separatist communities.[96]

The pattern of Russian "peacekeeping operations" in various "hot spots" throughout the FSU was constant. In all cases Russia brokered cease-fire, deployed predominantly Russian troops wherever it was possible[97] and initiated peace negotiations. However, it seems that the peace talks were held mainly for the external consumption and, however hypocritical it may seem, the situation of "no peace no war" best served Russian interests. However, in the long-term this policy turned out to be counter-productive. It became clear that all actors in the region would shape their policy towards Russia by taking into account its relations with their belligerent. Thus while Russia allegedly supported Abkhazia both militarily and politically and secured for itself Georgian CIS membership, peacekeepers and military bases in Georgia,

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[94] The Russian government regarded a UN and OSCE mandate as something adding to the efficiency and financing of peacekeeping operations rather than to its legitimacy. In a statement by the Foreign Ministry and the Ministry of Defence on 29 March 1994, it was claimed that Russia did not need "further legitimisation" and was not asking for "permission" from the UN or the OSCE. According to [the then] Foreign minister Kozirev in June 1994, Russian peacekeeping "is already legitimate to 150%", but "observers to monitor implementation of agreements and financial assistance for operations" are needed. Cited in Lena Jonson and Clive Archer, "Russia and peacekeeping in Eurasia", in "Peacekeeping and the role of Russia in Eurasia" (1995), p. 5.

[95] O.N. Khlestov and A.I. Nikitin, "Using Armed Forces in International Relations and Russia's point of view: International Legal Aspects", Foreign Military Studies Office publications, originally appeared in *Low intensity Conflict and Law Enforcement*, Vol. 5, No. 1, (Summer 1996), pp.45-62.

[96] For detailed analysis of Russian peacekeeping strategies see Dov Lynch, *Russian Peacekeeping Strategies towards the CIS*, (Macmillan Press and the RIIA, London, 2000).

[97] It should be noted that while Russia managed to deploy troops in case of Trans-Dnestrian, Abkhaz and South Ossetian conflicts, it failed to introduce "peacekeeping troops" along the line of fire between Azerbaijan and Armenia, mainly due to the resistance of Heydar Aliyev and as a result only truce was signed on May 12, 1994 that still in place at the time when this thesis is being written.

inability or unwillingness of Russia to solve the Abkhaz problem even further alienated Georgian leadership from Russia forcing it to seek support in Euro-Atlantic security structures like NATO – an outcome that Russia was so desperately trying to prevent. Russia's peacekeeping strategy was thus bound to find itself in the dead-end.[98]

Russia was also concerned with the strategic early-warning facilities in the CIS and in the South Caucasus in particular. Russian security community believes that as long as the mutual deterrence remains the underlying nuclear posture of Russia and the USA, the maintenance of early warning, communication, control and testing facilities remains a prerequisite component for a credible nuclear capability. The military assets in the FSU[99] were thus of paramount strategic importance for the security of Russia.[100] The fact that after the dissolution of the Soviet Union all these strategic land-based facilities were declared national properties of the successor states complicated Russia's access to them. It was mainly for this reason that Russia proposed a joint CIS Air-Defence System within the CST agreement hoping in this way to keep all these installations under single command and control. It became a huge problem for Russia to negotiate the terms of Russian access to these facilities. They became even more important in the light of the recent decision of the USA to create its own National Missile Defence (NMD).[101] While Central Asian states were more receptive to Russian demands due to the

[98] For counter-productiveness of Russian conflict management see Pavel Baev, "Conflict Management in the Former Soviet South: The Dead-End of Russian Interventions", *European Security*, Vol. 6, No. 4, (Winter 1997), pp. 111-129.

[99] Among them are early-warning (ABM) radar systems at Gabala (Azerbaijan), and Balkhash (Kazakhstan), testing site Sary Shagan and launch facilities at Baykonur, Emba and Semipalatinsk in Kazakhstan, Tectonic Research Centre at Eshera (Georgia).

[100] Rajan Menon, "Introduction: The Security Environment in South Caucasus and Central Asia, Concept, Setting and Challenges" in Rajan Menon, Yuri E. Fedorov and Ghia Nodia (eds.) *Russia, The Caucasus and Central Asia, The 21st Century Security Environment*, (Armonk, N-Y: M.E. Sharpe, EWI, 1999) p.19.

[101] On 1 May 2001President Bush without any formal six-month notice announced that the USA would deploy a missile defence system (NMD) and intend to withdraw from the ABM Treaty (Anti-Ballistic

regional geopolitical dynamics, in case of Azerbaijan, Gebele RLS turned for Russia into real headache for many years to come.[102]

Russia's strategy to develop a coherent policy toward the CIS was bound, however, to failure because it lacked one important feature - political will of CIS countries to engage in the "single military-political space." Russian leaders came to understand that CIS states vary in terms of size, population, internal political stability, energy dependence, economic conditions, the presence of Russian military contingents and proportion of Russian population – the key factors that shaped the security policies of the states and determined the character of their relations with Russia. Another no less important factor was lack of the common threat for all post-Soviet states.[103] Russia had to face this reality and gradually it developed a "selective engagement" strategy that meant diversification of the political, economic, military policies that varied from region to region and even from state to state.[104]

By the late 1997, Russian military analysts themselves admitted that military relations with the CIS states existed on two levels, according to the extent of military integration with

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Missile Treaty) of 1972, which committed the two parties, the USA and Soviet Union, to substantial limitations of their missile defences.

[102] Gebele RLS (an early warning ABM radar station) was built in 1985 to control air space of 7200km in radius (reportedly it can control territory from Atlantics to the Indian Ocean). After the dissolution of the USSR, Azerbaijan within the framework of the decision to create its own national army nationalized all ex-Soviet equipment and facilities on its soil (including Gebele RLS). For the last 10 years this RLS was functioning despite its unclear status. Beginning from 1997 Russia paid Baku $45 millions for electricity. In January 2002 during the official visit of the president of Azerbaijan H. Aliyev to Russia was finally signed "A leasing agreement on the status of Gebele RLS"(ratified by Azerbaijani Parliament on March 19, 2002), which was officially recognized "a property" of Azerbaijan. According to this agreement Gebele RLS was given a status of Analytic-Information Centre. According to the new agreement Russia will pay also for consuming water and rent payments, approximately $7million per year plus $30 millions for renting the installation since 1991. (Source: ANS TV Ch. Baku, January 2002).

[103] Unlike Central Asian states that were interested in developing close security ties with Russia in view of immediate threat coming from instable Afghanistan, the South Caucasian states had no common threat with Russia except perhaps Armenia and on the contrary were willing to develop security ties with other states.

[104] See Tatiana Shakleina, "Russian Policy Toward Military Conflicts in the Former Soviet Union", in Bruce Parrott (1995), p. 103.

Russia. The MoD adopted a dual-track approach to the military cooperation with the NIS. At a bilateral level Russia chose to create an extensive network of treaties of cooperation, which envisaged pre-positioning of Russian forces in the form of military bases, joint border-protection troops. MoD has focused on creating regional security sub-systems with those states of CIS that were ready to limit their sovereignty to some degree in order to obtain "reliable security guarantees from Russia." Russia gradually developed the strategy of prioritizing Russian security policy along western, southwestern and southern axes. The then-Russian defence minister Igor Sergeyev was unambiguous when he told that Russia had only three allies, namely Armenia, Belarus and Kazakhstan.[105]

Civilian experts that became more influential in foreign and security policy making since 1996 came to realize that over reliance on the military tools in pursuing Russian interests in the Caucasus was counterproductive and while it did not prevent external penetration into the region, on the contrary it even further pushed Georgia and Azerbaijan to seek security guarantees in other security institutions and arrangements. One of the factors that contributed to this re-evaluation of Russian policies in the Caucasus was the disastrous performance of Russian army in Chechnya.[106] Several aspects of the war in Chechnya are relevant for our analysis.[107] Russian military overextension and deficiencies that became evident in the Chechnya campaign constrained Russian overall security policy in the wider Caucasus region.[108]

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[105] Rajan Menon, Yuri E. Fedorov and Ghia Nodia (eds.) Russia, The Caucasus and Central Asia, The 21st Century Security Environment, (Armonk, N-Y: M.E. Sharpe, EWI 1999) p.41.

[106] A good updated analysis is presented by Pavel Baev "Russia in the Caucasus: Sovereignty, Intervention and Retreat", pp. 239-260 in Col. Michael Crutcher (ed.) *The Russian Armed Forces at the Dawn of the Millennium*. (Carlisle Barracks: The U.S. Army War College, 2000).

[107] For detailed account of war in Chechnya see Anatol Lieven, *Chechnya: Tombstone of Russian Power*, (New Haven & London: Yale University Press, 1998).

[108] See Roy Allison, "The Chechnya Conflict Military and Security Policy Implications" in Roy Allison and Christoph Bluth (eds.) *Security Dilemmas in Russia and Eurasia* (1998) pp. 242-262.

After the failure in Chechnya Russian military presence in the region was taken less seriously.[109] The formal character of Russian military presence and Russian leadership's engagement in Chechnya provided greater space for political maneuvering for Azerbaijan and Georgia. While illusion of the effectiveness of military option as a policy instrument disappeared before the dust settled after the first Chechen war, the Russian political elite could not entirely abandon the military component in its foreign policy overnight. One reason for this was the old stereotypes deeply entrenched in Russian security thinking since Russia's advance into the Caucasus in the 18th century. Though the first years of Putin's presidency showed that he inclined to take more pragmatic approach towards the South Caucasus unlike his predecessor, Russia's policy can still be characterized as a "carrot and stick" strategy.[110]

Though Russia's objectives in the South Caucasus after a decade still seem ambiguous, regional trends allow assuming that the new Russian leadership will be forced to gradually reduce its military contingent in the South Caucasus. Realizing counter-productiveness of the "pointing gun" strategy, new Russian leadership seems to attempt to normalize its relations with Azerbaijan and Georgia in an effort to enhance its political position and economic penetration that were damaged by the military hardliners during their heyday in the security policy-making.[111]

1.3.2. Russia's Political Interests in the South Caucasus

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[109] See Pavel Baev, "Russia Refocuses its policies in the Southern Caucasus", Cambridge: Caspian Studies Program, BCSIA Publications (July 13, 2001).
[110] See Andrei Zagorski, "The role of Russia in the South Caucasus", and Pavel Baev, "What Putin's Russia Aims for in the Caucasus?"- Papers presented at 31st Vienna Seminar of International Peace Academy on "Promoting Institutional Responses to the Challenges in the Caucasus", (Vienna, 5-7 July 2001).
[111] See Jean-Christophe Peuch, "Azerbaijan: Putin Tries To Overcome Years Of Mistrust", *RFE/RL Newsline*, (10 January 2001).

Russia's primary political objective in the South Caucasus was to incorporate the new states into a would-be supranational political entity. The CIS was regarded as an instrument for such integration. Though Russia managed to draw Azerbaijan and Georgia into the CIS, it failed to achieve its ultimate goals in the region, which proved incompatible with the process of state building that had begun in these states. Moreover, the growing geopolitical and geo-economic pluralism also helped the NIS to consolidate their independence.[112] Azerbaijan and Georgia rushed in engaging in multilateral security policy frameworks such as OSCE, NACC, PfP - a policy that was not viewed by them as necessarily inconsistent with their CIS membership.

Azerbaijan and Georgia were very enthusiastic in participating in "Great Silk Road", TRACECA[113] and INOGATE[114] Western-initiated regional transport, communication and energy projects that were aimed at enhancing capacity of the South Caucasus and Central Asian states to access European and world markets through alternative transport routes. For the newly independent states these projects had not only economic but also political meaning as these projects were seen as practical step on their way to the integration into the world and were believed to strengthen their independence and contribute to the state-building process. Georgia with its access to the Black Sea was a key element in these projects. Controlling Georgia thus would give Russia, which viewed these regional initiatives as harming its own

[112] See Roy Allison, "The Eurasian Security Policy Arena in Transition" in *Security Dilemmas in Russia and Eurasia*, (London: RIIA, 1998), p. 1.
[113] The TRACECA Program was launched in May 1993 by eight countries (five Central Asian republics and three Caucasian republics). It was agreed to implement a program of European Union (EU) funded technical assistance to develop a transport corridor on a west - east axis from Europe, across the Black Sea, through the Caucasus and the Caspian Sea to Central Asia. For more information see <*www.traceca.org*>.
[114] The EU-funded INOGATE Program stands for Interstate Oil and Gas Transport to Europe and has its overall objective to improve the security of Europe's energy supply by promoting the regional integration of the oil and gas pipeline systems and facilitating their transport both within the region in question and towards the export markets of Europe and the West in general. For more information see <*www.inogate.org*>.

regional interests, additional leverage to limit the West's influence in the region. Control over Georgia would in turn enable Moscow to put pressure on Azerbaijan, whose success in energy projects was very much dependent on the energy transportation networks that were supposed to pass through Georgian territory.

Yeltsin's decree No. 940 of September 14, 1995, on the '*Strategic Policy of the Russian Federation toward CIS Member States*" frankly stated Moscow's intention to re-establish its political supremacy over the territory of the FSU. This document constituted a comprehensive plan of action for the forced reconstruction of Russian dominance within the CIS, systematizing the use of the wide array of diplomatic, military, economic, ethnic, and international levers.[115] Within this new political guideline Yeltsin in his speech at Council of CIS Heads of state meeting on March 28, 1997 unequivocally declared that "…[Russia] has no interest in seeing the Former Union's territory dominated by anyone, particularly in the military-political sphere, or seeing any country playing a role of buffer against Russia."[116]

The nationalist leaders in Azerbaijan and Georgia, who came to power under the banner of complete severance from Russia, presented a bigger challenge to Russia's long-term interests than the conflicts and instability in the South Caucasus. This partially explains why Russian military units deployed in the region apart from maintaining Russian military security also contributed to the pursuing of political objectives in the South Caucasus. Field commanders and troops deployed in the region had the potential to influence local key politicians and overall situation there. The role of the military was clearly stated by the then-Russian border troops

[115] See Stephen Foye, "Russia and the 'Near Abroad' ", *Post Soviet Prospects*, Vol.3, No.12, (December 1995).
[116] Quoted in "Introduction", Rajan Menon, (1999), p. 3.

commander Andrey Nikolayev, who openly argued that "the task of Russian military in the CIS was to induce conditions that would prevent political leaders not loyal to Russia from assuming power."[117] The best scenario for Russia would be to have pro-Moscow presidents that will follow Russian political line or at worst predictable political leaders who while pursuing their national policies would take into account Russia's security concerns.

Russia was also anxious about the growing role of sub-regional groups such as GUUAM. The rising regional security policy profile of external states disturbed Moscow not only because of the implications that their penetration might have for the integration process in the CIS, but also because of their potential political and cultural implications for the South Caucasus.[118] Moscow's strive to guarantee Russian TV and radio broadcasting, press dissemination as well as restoring Russia's role as an educational center on the territory of the FSU was derived by its desire to prevent Russian cultural retreat from the region that would be inevitably followed by the political and military withdrawal.[119]

Russian authorities were also concerned with the progressive exodus of Russian population from the South Caucasus that could be used as an additional leverage in relations with NIS (See Table 2). As argues M. Shashenkov:

> Ideally, it would be in the Russian authorities' long-term interest for local Russians to adjust to life in the newly independent [South Caucasus] states and to emerge as yet another factor in favour of closer cooperation with Russia.[120]

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[117] From the interview to the *Argumenti i Facti*, Moscow, No. 27, July 5, 1995, quoted in Rajan Menon, Yuri E. Fedorov and Ghia Nodia (eds.) *Russia, The Caucasus and Central Asia, The 21st Century Security Environment*, (1999) p. 29.

[118] An article in "*Nezavisimaya gazeta-Regiony*" on 15 May 2001 said that the Turkish government continues to pursue a broad scale program of attempting to Turkify both many of Russia's regions and CIS states in the Caucasus and Central Asia. The article suggested that Turkey uses commerce, scholarship, and other means to engage in a variety of destabilizing efforts aimed at expanding its power and influence in these regions at the expense of Moscow, Source: *RFE/RL News Line*, (May 16, 2001).

[119] See Brzezinski, Zbigniew, "*The Grand Chessboard…"* (1997), p. 109.

[120] Maxim Shashenkov, (1997), p. 439.

This partially explains why the national security concepts stressed that Russia sees threat to Russian population in the "Near Abroad" as a threat to Russian Federation and reserves the rights to defend their rights and freedoms by all means. Putin's concern about the fate of Russian-speaking population in the NIS indicates that he too takes into consideration consequences of the external cultural penetration on the Russian foreign policy.[121] Putin's endorsement of the meetings with South Caucasian states within the framework of the so-called "Caucasus Four"[122] clearly reveals that President Putin is willing to regain Russia's role of "honest broker" in regional conflict mediation, damaged greatly by Yeltsin's Administration and uncompromising military establishment. This is indeed a great challenge to Putin's new Administration, given that excessive emphasis on "strategic partnership" with Armenia and ever-deepening military relations between Russia and Armenia on the one hand and overt pro-Abkhaz stand on the other, contributed to the formation of negative image of Russia in the eyes of Azerbaijanis and Georgians. President Putin chose to personify Russia's foreign policy that allowed him to detach from the Russian political and military elite, which is mistrusted by Azerbaijani and Georgian political elites.[123] He sent clear messages to the leaderships of Azerbaijan and Georgia that he was responsible only for the Russian policy pursued after his coming to power. Despite some voices of irritation coming from the Russian opposition, Putin's recognition of Georgia's territorial integrity and a formula of political settlement of regional

[121] For example during his meetings with the president of Azerbaijan H. Aliyev who returned official visit to Moscow in January 2001, Putin expressed his gratitude for Azerbaijan government's attitude toward Russian-speaking population as well as to the Russian language and joked that if in Azerbaijan everybody would speak Russian as fluent as H. Aliyev did then they (Russians) would be happy. (Source: AzTV *Xeberler* News program, Baku).

[122] Such a commitment was enshrined in the so-called Kislovodsk Declaration signed by the presidents of the four countries at their first such summit in Kislovodsk in June 1996 where they agreed to discuss regional problems and specifically security issues.

disputes proposed by him during his visit to Azerbaijan in January 2001, according to which regional conflicts should be solved "without victors or vanquished"[124] shows that he pursues more balanced, pragmatic policy in the South Caucasus, which "takes into account the interests of Russia's partners in the CIS".[125]

1.3.3. Russia's Economic Interests in the South Caucasus

Yegor Gaidar and his team of radical reformers in the early in 1990s abandoned the old structure of the Russian trade with most of the CIS states that had led to relative trade disadvantages for Russia.[126]While economic cooperation with Russia was especially important for most of the CIS countries, the new Russian government pursued isolationist economic policy toward the "near abroad."[127] As a result of this policy Russia's trade with the South Caucasian states declined considerably.[128] The only interest of Russia was agricultural products and oil drilling and oil-pumping machinery of Azerbaijan. Thus, in the immediate aftermath of the break up of the Soviet Union Russia's economic interests were marginal.

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[123] See Vitalii Tretiakov, "Putin's Pragmatic Foreign Policy", *International Affairs,* (Moscow), Vol. 48, No. 3, (2002), p. 17.
[124] Source AzTV1, Baku, January 2001.
[125] See President Putin's "State of the Nation" annual address, (April 18, 2002).
[126] Under the Soviet trade system Russian exports were dominated by energy and raw materials, and Russian imports composed mostly of food and consumer goods. In the first years after dissolution of the U.S.S.R. NIS had preferential trade conditions, cheap Russian credits, and unlimited access to Russian raw material, energy, and markets.
[127] The Russian government announced that any energy exports not covered in bilateral agreements would be sold to the NIS at world prices. As for the bilateral agreements, Russia raised prices on oil up to 55 to 65 percent of the world price, and on gas, to 40 to 45 percent of the world price. See Andrei Kortunov, Ch. 7. Russia and the "Near Abroad": Looking for a Model Relationship, in Sergey Oznobishchev and James H. Brusstar (eds.), *U.S.-Russian Partnership: Meeting the New Millennium*, (Washington, D.C.: National Defence University Press, 1999),<http://www.ndu.edu/inss/books/usrp7.html>, Accessed: March 4, 2002.
[128] In 1993 Russia took 25,5% of Azerbaijan exports and provided 27.5% of its imports. Respective figures for Armenian and Georgia (for Georgia 1992 figures are available) are 37% and 33% and 55% and 33%. Source: Statistical Handbook 1995: States of the Former Soviet Union, The World Bank, Washington D.C. taken from Pavel Baev, (1997), p. 31.

Since the mid-1992 when Russian leadership opted for more assertive policy towards the South Caucasus, the ever-weakening economic relations with the NIS were perceived by Moscow to have serious implications on the overall Russian regional interests. Azerbaijan and Georgia's participation in other regional economic cooperation structures such as ECO, OIC, BSEC was believed to be detrimental to Russia's plan of closer integration within the CIS. Though Russia could not hinder this cooperation, it chose to activate its own economic cooperative schemes. Russian economic policy in the South Caucasus was thus a reaction to the trends in this region and should be viewed as a component of its changing foreign policy attitude. The major event that gave impetus for Russian policy change toward the region was Azerbaijan's "oil strategy," which aimed at attracting western companies to the exploration of oil and gas deposits in its sector of the Caspian Sea.

Overall, inconsistency of Russian foreign policy prevented formulation of a coordinated economic policy. While Russian oil company Lukoil participated in the "contract of the century"[129] with a share of 10%, Russia's MFA, made a statement warning to "take appropriate measures against those Caspian states that unilaterally decided to explore oil reserves." This incompatibility of the policies of various governmental bodies was probably a reflection of domestic struggle of powerful industrial lobbies that had connections with certain key politicians and used them to advance their corporate interests.[130] Though national state oil

[129] Signed in Baku on September 20, 1994.

[130] Recent hearings in State Duma of the RF in November 2001 confirm existence of clear linkage between Russia's domestic and foreign politics. During the hearings on "The legal status and ecological problems of the Caspian Sea" deputy chairman of State Duma Committee on CIS issues Anatoly Chekhoev called deputies to recommend the government to prohibit Russian oil companies to participate in Baku-Tbilisi-Ceyhan MEP project because it contradicts political and economic interests of RF. This proposal was supported by deputy Minister of Foreign Affairs, special envoy of the President of the RF on the question of settling the Caspian Sea problems Viktor Kalujniy, who confirmed Russian negative attitude to the BTC pipeline. This was considered by some media as a "blow under the belt" to the Lukoil president Vahid

companies of the NIS can potentially compete with Russian oil exporters such as GASPROM and TRANSNEFT, for Russia, at least up until 2000, the Caspian oil and gas deposits *per se* were not of primary interest.[131] Rather, oil explorations in the Caspian were considered to damage Russia's political interests in the region. Russia was against internationalization of the Caspian hydrocarbon exploration because it was to increase Western involvement in the Caspian basin and strengthen economic independence of the Caspian littoral NIS from Russia thus depriving Russia from economic and political leverages in dealing with these states[132] (for more on geopolitics of oil see Chapter II).

Russian geo-economic interests in the South Caucasus were bolstered by Russia's "strategic partnership" with Iran in 1996.[133] "Southern Transport Paths"[134] agreement signed in Autumn 2000 in St. Petersburg by Russia, Iran and India was considered to be the first step in strengthening a would-be "geopolitical trigon." This project, though having economic advantages,[135] first of all was of political value to these states and to Russia in particular. Russia was uneasy with the East-West "New Silk Road Land Bridge Project" corridor that was to bypass Russia depriving it of its "bridge" role connecting Asia and Europe and thus expelling

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Alekperov who has business connections in Azerbaijan and can potentially emerge, as an influential politician in Moscow and should be ragarded within the Putin's "war with oligarchs". See R. Mirkadirov, "Russia is again against Baku-Tbilisi-Ceyhan MEP", *Zerkalo Daily* on-line newspaper, <*www.zerkalo.az*>, Baku, (in Russian), November 20, 2001.

[131] Putin seems to be concerned more about geo-economic rather than geopolitics of the Caspian basin. See Pavel Baev, "Russia Refocuses its Policies in the South Caucasus" (2001).

[132]There was a belief (not ill founded) that tough economic policy of Russian government emerged as a leverage and was used by the Kremlin leadership to get serious political concessions from FSU at the moment of their maximum economic weakness and economic dependence on Russia.

[133] See Robert O. Freedman, "Russian-Iranian Relations In The 1990s", *Middle East Review of International Affairs*, Vol. 4, No. 2, (June 2000).

[134] This project is considered to be continuation of Pan-European transport corridor No. 9 – Helsinki-St. Petersburg-Moscow-Astrakhan and then to Iran and India.

[135] According to Russian experts this route is a week shorter than traditional trans-Siberian railroad link and with the original capacity of 15 million tons of cargo per year can bring Russia revenue of $5-6 billion/year. Source: Ch. Mamedov, " 'Transport Crossword' for Azerbaijan", in Baku-based daily on-line newspaper in Russian, www.echo-az.com, February 28, 2002.

Russia from transport-communication sphere of Eurasia.[136] Besides, this "New Silk Road" project was to pass through the South Caucasus states, and was considered by Russia to be aimed at marginalizing its role in the region.

In this regard, Putin's intention to develop economic relations with the South Caucasian states is probably based on strategic rather than purely economic considerations.[137] This policy most probably is aimed at decreasing disparity in Russia's economic capabilities in the region vis-à-vis that of the West. Whatever are the reasons behind Russia's visible attempts to increase its economic profile in the South Caucasus its continuing economic ups and downs considerably constrain this policy.

1.4. Walking the Tightrope: Security Dilemmas of the South Caucasian States

1.4.1. Common Security Perceptions of Azerbaijan and Georgia

After regaining their independence, the South Caucasian states found themselves in a difficult domestic and international environment. They were faced with the challenge of creating economic and political systems that were radically different from those of the former Soviet Union. External security environment was no less challenging. Secessionist movements in Azerbaijan and Georgia further complicated the situation in these states. Thus the primary task

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[136] For a geopolitical analysis of this project see P. Karpov, *"Strategicheskaya Geometriya Vladimira Putina: Geopoliticheskiy analiz*", in Russian (Strategic Geometry of Vladimir Putin: Geopolitical Analysis),<http://arctogaia.com/public/articles/karpov.shtml>, Accessed: March 6, 2002.

[137] Russian President Vladimir Putin and his Armenian counterpart Robert Kocharyan during former's visit to Armenia signed on September 15, 2001 a treaty on a long-term economic co-operation between the two states, including a treaty on encouraging and protection of mutual investments.
The presidents vowed to expand bilateral trade and economic cooperation, laying an accent on stepping up the integration of the two economies. Russia agreed to write off much of Armenia's $94 million debt in return for substantial stakes in state-owned companies. Given aggravating economic situation in Armenia – Russian traditional ally in the Caucasus with whom Russia has close cooperation n military and military-technical aspects, this Russian initiative is viewed to be directed to prevent collapse of Armenian economy that can have negative implications on Russian policy in the South Caucasus. Source: *Pravda*, Russian daily newspaper, September 15, 2001; See also *RFE/RL Newsline*, (22 March 2002).

for each of these states thus was to restore their territorial integrity and retain their sovereignty and independence. Internal security threats in these states were viewed (not without good reason) as externally instigated, to a large degree by Russian security services. The conviction was widespread among the populations of both states that Russia had not accommodated itself to their independence.[138] Vivid memories of tragic events in Tbilisi in April 1989 and in Baku in January 1990 when Moscow ordered regular army troops to suppress violently national movements also contributed to this perception.

The national leaders of Azerbaijan and Georgia while being aware of their continued economic dependence on Russia rushed to attenuate it by independent state-building policies. However, national leaders of Azerbaijan and Georgia seemed to underestimate the fact that the questions of their internal national security and stability were closely linked with their external security environment and state of their relationships with external powers and with Russia in particular.

The new Georgian president Zviad Gamsakhurdia elected in October 1990, while pursuing a nationalistic policy that was aimed at strengthening independence of Georgia refused to accept the existence of a minority problem arguing that it was artificially created by Russia to destabilize the situation in Georgia.[139] This policy allowed extremists in Abkhazia and South Ossetia to claim that their very existence as minority was endangered and prompted them to demand full independence from Georgia or reunification with Russia. Russian political circles

[138] See Philip Petersen, "Security in Post-Soviet Transcaucasia", *European Security*, Vol. 3, No. 1, (Spring 1994), pp. 1-57.
[139] See Ch. 4, Georgia: From Unitary Dreams to an Asymmetric Federation, in Svante E. Cornell (ed.) *Small Nations and Great Powers: A Study of Ethno-political Conflict in the Caucasus*, (Richmond: Curzon Press, 2000), pp. 142-163.

became more and more dissatisfied with Gamsakhurdia's independent policies and used Abkhazian and South Ossetian problems as a leverage to subdue him. Growing rivalries and divisions within Georgian political forces that had paramilitary groups acting as private armies for political personalities even further complicated the situation.[140] Various political forces in Georgia manipulated ethnic conflicts to pursue their interests while even further complicating resolution of these ethnic conflicts.

In Azerbaijan too, domestic instability coupled with the undeclared war unleased by Armenia brought to rapid succession of governments. Military reverses suffered in Karabakh and Khojaly massacres in February 1992 committed by Armenian forces[141] greatly undermined allegedly pro-Moscow president Ayaz Mutalibov's position. After his short presidency he was forced to resign in May 1992 giving way to Abülfaz Elçibey – the nationalist leader of the Azerbaijan Popular Front (APF). However, like Gamsakhurdia, he miscalculated the stakes of external powers and made serious geopolitical mistakes that costed him presidency. While adopting a pro-Turkish policy he simultaneously antagonized Iran and took an open anti-Russian stand refusing to join the CIS.[142]

As a result of domestic and external circumstances coupled with the lack of political skills and balanced approach, Gamsakhurdia and Elçibey were forced to escape Tbilisi and Baku respectively almost a year after assuming power. In this difficult circumstances that risked

[140] For example so-called Mkhedrioni White Horsemen were reportedly associated with Dzehaba Ioseliani the then leader of Georgian National Independent Party.
[141] There are solid evidences proving that Russian 336th regiment stationed in Khankendi (former Stepanakert) participated in Khojaly massacres.
[142] See Shireen T. Hunter, Ch. 4, "Azerbaijan: Search for Identity and Independence" in *The Transcaucasus in Transition: Nation-Building and Conflict*, Washington D.C.: CSIC, (1994).

the dismemberment of Azerbaijan[143] and Georgia Heydar Aliyev and Eduard Shevardnadze[144] were brought to lead war-torn republics. The Communist past of these leaders as well as involvement of the paramilitary units gave way to various conspiracy theories claiming that Shevardnazde and Aliyev "orchestrated" events with the help of Moscow to take over power. Though these speculations are too elaborate to be convincing, the "Russian factor" in the politics of the South Caucasus should not be underestimated either. Moscow still preserved ties with the Soviet era "*nomenklatura*" in these republics that had influence among local political groups. Besides, as was mentioned in previous sections, Russian troops that still were present in these republics, also reportedly took sides in the domestic power struggle.[145] With its coercive policy of creating "belt of good-neighbourliness" Russia indeed was interested in changing the anti-Russian political regime in Tbilisi and Baku and if it was not directly engaged in plotting conspiracy against ex-presidents[146] then it did not try to prevent Aliyev and Shevardnadze from assuming power.[147] As argues Maxim Shashenkov:

> Whether or not Russia was somehow involved in the toppling of the 'ex-dissident' presidents of Georgia and Azerbaijan, the truth remains that this change of guard clearly correspondent with Russia's largest interest in having more 'benign' flexible and predictable political leaders in neighbouring Caucasian states.

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[143] In the summer 1993 simultaneously with the mutiny in Ganja so-called independent Talysh Mugam Republic in the South of Azerbaijan was declared by Alikram Humbetov, with the support of the local tank regiment. However, soon after the revolt leader was arrested and the revolt collapsed. The Lezgian movement in the north of Azerbaijan to establish their own homeland – Sadval – also presents a major challenge to Azerbaijan's sovereignty.

[144] See Shireen T. Hunter, Ch. 6 "Georgia: a Country Torn Apart" and Ch. 4, "Azerbaijan: Search for Identity and Independence" in *The Transcaucasus in Transition: Nation-Building and Conflict*, (1994).

[145] See Goltz, Thomas: "Letter from Eurasia: The Hidden Russian Hand", *Foreign Policy*, CEIP, No. 92, (Fall 1993).

[146] Interestingly while Russia was reluctant to withdraw its troops from Georgia, it withdrew 4th (former) Soviet Army based in Genje on May 24, 1993, a month ahead of schedule on the eve of mutiny probably to discharge any accusations of plotting a coup in Azerbaijan, while at the same time leaving behind weapons and ammunition that was later used by rebellions.

[147] It seems that both Yeltsin and the military influential in Russian security policy did not expect such developments but facing the reality accepted that Shevardnadze and Aliyev's alternative to nationalist presidents as the "lesser evil", and hoped that they could use economic problems and manipulation of ethnic conflicts to humiliate them.

> …More significant, however, is the fact that the departure of nationalist leaders associated with a strongly anti-Russian political current was much more a reflection of the geopolitical and economic realities of the first several years of post-Soviet Eurasia than the successful result of 'sophisticated' Russian policy.[148]

Aliyev and Shevardnadze realized the need to cope with realities and were to pursue more pragmatic policies. Striking similarities in foreign policies and security concerns of Azerbaijan and Georgia seem to support the argument that the primary determinant of their foreign policy options was the location of these states in the geopolitical zone of "Great Power" competition.[149] The leaderships of these states realized the need to take into account international and regional politics. When Shevardnadze paid an official visit to Iran in October 1993 in search for a counterweight to Russia, he found that Iran had other strategic calculations in regard of the South Caucasus.[150] Aliyev also, while trying to normalize relations with Iran during the first year of his presidency, came to realize that the USA's containment of Iran set limits for Azerbaijani-Iranian relations.

Using their political experience and skills Aliyev and Shevardnadze managed to achieve their short-term goal – to restore relative stability in their respective countries. However, the full-fledged stability in each country depended on the overall stabilisation in the South Caucasus. Thus, the primary preoccupation of Aliyev and Shevardnadze was restoration of the territorial integrity of their states. Though the military option was always on the agenda, it was considered to be the option of last resort, partially because the true army building process was only to

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[148] See Maxim Shashenkov, "Russia in the Caucasus: interests, threats and policy options", in "*Russia and Europe…"*(1997), p. 435.
[149] See Shireen T. Hunter, Ch. 1, "Evolution of the Foreign Policies of the Transcaucasian States" in *"Crossroads and Conflict…"* p. 26.
[150] See Svante E. Cornell, "Iran and the Caucasus", *Middle East Policy*, Vol. V, No. 4, (January 1998).

begin.[151] Their diplomatic efforts were focused on "internationalising" of Abkhaz and Karabakh conflicts by bringing the West's attention to the conflict mediation process. At the same time, Aliyev and Shevardnadze's declarations that "the key to solve these conflicts was in Moscow" indicate that they felt the need to accommodate with Russian interests. Interestingly, Georgia's admission into the CIS coincided with the Abkhaz assault on Sukhumi[152] and uprising of "Zviadists"(supporters of ex-president Zviad Gamsakhurdia) in Mingrella that aimed to oust Shevardnadze.[153] Shevardnadze accepted Russian mediation in South Ossetia and in Abkhazia.[154] Under the "*Framework Treaty of Friendship and good neighbourliness*" signed on February 3, 1994 during the official visit of Yeltsin to Tbilisi, Georgia made major concessions to Russia by allowing it to deploy the CIS peacekeeping forces,[155] as well as Russian border troops to guard Georgian border with Turkey. The treaty on Russian military bases[156] that was signed in October 1995 by Eduard Shevardnadze effectively closed the issue of a "planned withdrawal" of the GRVZ from Georgia.[157]

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[151] For a good account of these problems in army building see Elizabeth Fuller, "Paramilitary Forces Dominate Fighting in Transcaucasus", *RFE/RL Research Report*, Vol. 2, No. 25, (18 June 1993).
[152] Catherine Dale, "The Case of Abkhazia (Georgia)", in Dov Lynch (ed.) *Peacekeeping and the role of Russia in Eurasia*, (1995).
[153] The use of such sophisticated weapons as GRAD rocket launchers and T-72 main battle tanks by Abkhaz guerrillas caused for Georgian suspicion of "hidden Russian hand" supporting Abkhazian forces. Interestingly Russian troops agreed to support Georgian forces by blocking all roads and communications and thus preventing Zviadist rebels from advancing on Tbilisi only after Shevardnadze's consent to enter the CIS.
[154] See Ch. 4, "Georgia: From Unitary Dreams to Asymmetric Federation" in Svante E. Cornell (ed.) *Small Nations and Great Powers: A Study of Ethno-political Conflict in the Caucasus*, (2000), p. 168-170.
[155] On the 21 October, 1994, the CIS Heads of State reached a decision on the deployment of Collective peacekeeping forces in the region, composed of military contingents from all countries concerned and numbering between 2,500 and 3,000 people, as well as military observers, for the duration of six month, however in practice the bulk of PKF formed Russian troops already stationed on the Georgian soil.
[156] According to the treaty Russia was to set up four military bases in Vaziani, Gudauta, Batumi, and Akhalkalaki and naval base in Poti and Batumi.
[157] For a detailed account of issues of bases see David Darchiashvili, "The Russian Military Presence In Georgia: The Parties' Attitudes And Prospects", *Caucasian Regional Studies*, Vol. 2, Issue 1, (1997).

Aliyev also chose to accommodate with Russia. In September 1993 he paid visit to Moscow where he signed the CIS Charter and CST agreement. He downplayed military cooperation with Turkey by dismissing a number of Turkish military experts who had been advising the Azerbaijani armed forces.[158] This was however a tactical move aimed at appeasing Russia as in 1994 Aliyev asked Turkey to continue training Azerbaijani officers.

Though joining the CIS was perceived as a compromise with Russia, there were also other strategic calculations. After joining the CST Azerbaijan insisted that the agreement should be activated not only in the events of external threats but it should also be applied to the conflicts among its members.[159] The last decade of 20th century showed that Azerbaijan did not at all weaken its independence by joining the CIS. On the contrary, Azerbaijan participated on the all CIS summits, during which it had opportunity to expose Armenian irredentist policy. At the same time Azerbaijan was among a few CIS countries that refused to sign a number of military-political agreements that could potentially threaten Azerbaijan interests (See Table 3). Though Azerbaijan accepted mediation efforts of Russia and signed a cease-fire agreement with Armenia in May 12, 1994 it refused to introduce Russian peacekeepers into the zone of conflict perhaps fearing that Russian-led peacekeeping forces (PKF) would just entrench the *status quo* becoming in effect "buffer zone" for the self-proclaimed so-called "Nagorno-Karabakh Republic" while exercising pressure on Azerbaijani government for further concessions.

Out of the same concerns, Shevardnadze made Russian military presence conditional to the resolution of the Abkhaz conflict and restoration of Georgia's territorial integrity. As a result the agreements on bases and border guards were never ratified by Georgian parliament. This

[158] See Gareth Winrow, "*Turkey and the Caucasus…"* (2000), p. 9.
[159] See Andrey Zagorski, "Regional Structures of the Security Policy within the CIS", p. 284.

deprived Russian military presence of legal status while providing Georgia with some bargaining chip. Shevardnadze also raised from time to time such issues as replacement of CIS mandated PKF by a UN or OSCE-mandated force, Georgia's withdrawal from the CIS and veto on the extension of the peacekeeping mandate in order to induce Russia to take into account Georgia's position.[160] Though Russia indeed agreed to impose CIS-mandated "blockade" on Abkhazia[161] Russia was not willing to apply full pressure on Abkhazia. The possible reason for this was not so much pro-Abkhaz[162] stand, as a lesson learned from bitter experience in Bosnian conflict. Russia realised that it could preserve its "key mediator" status as long as it was believed to have some leverage on at least one of the conflicting sides.[163] Thus, unable or unwilling to find lasting solution to the Abkhaz conflict Russia was faced with fundamental dilemma of de-linking the issue of conflict resolution in Abkhazia from Russian-Georgian military cooperation.[164] Starting from 1995 Shevardnadze, probably being convinced that there was little if any prospect for resolution of the Abkhaz problem, openly expressed his disappointment with Russia's failure to fulfil "certain obligations" it had towards Georgia. By that time Georgia was becoming a crucial component of trans-regional energy transportation corridor. This

[160] Edvard Walker, Ch. 9 "No War No Peace in the Caucasus: Contested Sovereignty in Chechnya, Abkhazia, Karabakh" in Gary K. Bertch, Cassady Craft, Scott A. Jones, Michael Beck (eds.) *Crossroads and Conflict: Security and Foreign Policy in the Caucasus and Central Asia*, (N.Y. – London: Routledge, 2000), pp. 158-168.

[161] These sanctions were reportedly nothing but some restrictions on frontier crossroads and inspection all cargoes allowing only food.

[162] Sudden September assault on Sukhumi by Abkhaz forces in caught Russians by surprise and showed that Russia did not fully control the situation.

[163] Russia was considered to be a part of resolution mechanism in Bosnian conflict as long as it was believed to have leverage on Belgrade and Pale in order to persuade Serbs to take constructive stand. For more on this see: Stan Marcotich, "Evolving Serbian Attitudes towards 'Big Brother' Russia", in *Transition*, December 13, 1996, p. 56; "Rossiya na Balkanakh", Carnegie Endowment for International Peace, in Russian, Moscow, 1996, p. 96; Scott Parrish, "Twisting the Wind: Russia and The Yugoslav Conflict", in *Transition* November 3, (1995), p. 29.

[164] See Ch. 6, "Russian Strategy towards the Abkhaz Conflict", in Dov Lynch (ed.) *Russian Peacekeeping Strategies towards the CIS*, (London: RIIA, 2000), p. 132.

provided Shevardnadze with additional political dividends that strengthened his hand in relations with Russia.

On September 20, 1994, just a year after it became member of the CIS, Azerbaijan initiated its "Oil Strategy" by signing the "contract of the century" with consortium of Western oil companies that envisaged joint exploration of Caspian Sea hydrocarbons. Aliyev unequivocally demonstrated foreign policy orientation of Azerbaijan, thus rendering accusations about pro-Russian stand groundless. Instrumentally attracting Western oil companies and generating economic interests of their respective governments Azerbaijan sought to attract attention of international community to the Armenian-Azerbaijani conflict. In fact, the Caspian energy projects became a kind of "symbols" of independent political course of Azerbaijan and Georgia.

The first results of this tactics were not long to present themselves. In December 1994 during the Budapest summit of OSCE a decision was made to send peacekeeping mission under the mandate of the OSCE to Karabakh. This initiative led to the broader question whether the international community should play a role in the South Caucasus and what that role should be.[165] The decisions[166] taken by the OSCE indicate that the South Caucasus was considered to be a part of European security zone.[167] Since 1994 Georgia and Azerbaijan initiated a security dialogue with NATO via the PfP program. Both of them have been developing close economic, political and security ties with Turkey. In 1995-1996 Georgia and

[165] See John Maresca, "Why an OSCE Role in the Caucasus", *Security Dialogue*, Vol. 27, No. 1, (1996).
[166] See Heiki Vilén and Mike Karie, "Preparations of a Peacekeeping Mission for the Nagorno-Karabakh Conflict by the OSCE's High Level Planning Group (HLPG)", *International Peacekeeping*, (August-September 1995), pp. 106-109.
[167] See Stephen Blank, "Russia and Europe in the Caucasus", *European Security*, Vol. 4, No. 4, (Winter 1995), pp. 622-645.

Azerbaijan received substantial financial assistance from IMF and World Bank, which assisted in their countries' overall macro economic stabilization. In 1997 Georgia, Ukraine, Moldova, and Azerbaijan initiated the GUAM formal cooperation framework within the CIS in 1997 to balance Russia's attempts to dominate the CIS.[168]

Allegedly Moscow-sanctioned unsuccessful assassination attempts on Shevardnadze on August 25, 1995 and February 9, 1998 and coup attempts against Aliyev in October 1994 and March 1995[169] indicate that Russia was more and more uneasy with Aliyev and Shevardnadze's independent political courses. Those who want them dead or ousted were aware of the role Aliyev and Shevardnadze "factors" played in the regional politics.[170] Indeed there is good reason to look at the "Six-Day war" in the Gali district in May 1998, and military mutiny in Senaki in October of the same year as links of one chain in Russia's conspiracy aimed at preventing the Main Export Pipeline (MEP)[171] to pass through Georgia.[172] As argues Svante Cornell, "unable to oust Aliyev, Russia might have thought that destabilizing Georgia would do very much the same effect for oil transportation as destabilizing Azerbaijan itself."[173]

Though these events even further deteriorated Georgian and Azerbaijani relations with Russia and highly complicated the domestic situation, continuing economic dependence on Russia[174] and the need for balanced policy seem to set limits on how far these states could go in

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[168] See Flemming Splinsboel-Hansen, "GUUAM and the Future of the CIS Military Cooperation", *European Security*, Vol. 9, No. 4, (Winter 2000), pp. 92-110.
[169] For a detailed account of these events see Thomas Goltz, "*Azerbaijan Diary*", (M.E. Sharpe, New York, 1998).
[170] See Ariel Cohen, "Moscow's Hunt in the Caucasus", The Heritage Foundation article, April 7, 1998, <http://www.heritage.org/views/98/ed040798.html>, Accessed: March 16, 2002.
[171] The decision on the MEP was to be made in the fall of 1998.
[172] For an overview of recent wave of instability see Ghia Nodia, Ch. 10, "A new Circle of Instability in Georgia" in "*Crossroads and Conflict…*" (2000), pp. 189-193.
[173] See Svante E. Cornell, "*Small Nations Great Powers*", p.359.
[174] For an overview of Russian economic pressure see Zeyno Baran, "Georgia Under Worst Pressure Since Independence", *Georgia Update*, CSIS, Washington D.C., January 10, 2001.

antagonizing Russia.[175] Azerbaijan, despite its strained relations with Russia throughout the last decade, was interested in normalizing relations with Russia in order to limit Armenia's over reliance on Russian military help in case of renewed war with Armenia and prevent formation of an overt anti-Azerbaijan Russia-Armenia-Iran bloc. Azerbaijan's economic relations with Russia should not be underestimated either.[176]

Shevardnadze also showed some flexibility on the time frame for closing Russian bases in Akhalkalaki and Batumi – perhaps the most sensitive issue for Moscow, saying that the date for completing the Russian withdrawal from Batumi and Akhalkalaki would be set only after the signing of a new framework Russian-Georgian treaty, which is currently still at the discussion stage.[177] One of the possible reasons for such "patience" is that the Russian base in Georgian Armenian populated Javakheti region, where Armenians from time to time demand for more self-rule, provides Russia with additional lever to exert pressure on the Georgian government.[178] Perhaps fearing that Javakheti can become the "next Karabakh," Shevardnadze seems to pursue the "strategy of postponement" playing down "uncertain" situation in this region with potential centrifugal aspirations. But, more importantly, the spill over of instability into this region can jeopardize regional transportation projects such as the Baku-Ceyhan pipeline, Baku-

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[175] See Shireen T. Hunter, Ch.1 "The Evolution of the Foreign Policy of the Transcaucasian States" in "*Crossroads and Conflict*…" (2000), p. 46.

[176] Most of Azerbaijani import-export cargo flow is made via Azerbaijan-Russian border. Besides, estimated 2 millions of Azerbaijanis are currently doing business in Russia and are source of monetary inflows into Azerbaijani economy.

[177] Russia withdrew the bases at Vaziani by 1 July 2001.The planned withdrawal of base from Gudauta (Abkhazia) was delayed due to the protests of Abkhazians. The decision occurred under the framework of the OSCE summit agreement on the adaptation of the CFE treaty signed in Istanbul on November 19, 1999. However Russia has offered to vacate bases in Akhalkalaki and Batumi within 15 years referring to financial problems (withdrawal would cost $140 million) while Georgia insists that Russia should pull out in three to four years. See *RFE/RL Newsline*, (16 May and 25 June 2001).

[178] For a detailed account of this problem see Voitsekh Guretski, "The Question of Javakheti", *Caucasian Regional Studies*, Vol. 3, Issue 1, 1998, <http://poli.vub.ac.be/publi/crs/eng/0301-05.htm>, Accessed: March 17, 2002.

Erzurum gas pipeline and the Kars-Marabda railway connection that are supposed to pass through Javakheti region.

Though after the violent incidents in Abkhazia[179] in October 2001 Georgian Parliament voted for withdrawal of Russian peacekeepers from Abkhazia,[180] Shevardnadze chose to hold back fearing that a "Russian troop pullout from the breakaway region could spark another military conflict there."[181] Shevardnadze seem to be aware that though Russia's conflict resolution capabilities are ambiguous, its destabilization capabilities are certainly not exhausted.[182] The November 2001 political crisis in Georgia[183] proves these fears. As Paul Goble argues, "political situation in Georgia is at least in part a product of forces beyond its borders".[184]

Being suspicious that Russia is willing to play the "anti-terrorist campaign card"[185] for its own interests just like it used "peacekeeping,"[186] Shevardnadze refused to allow Russia to carry

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[179] Un incident occurred on October 8, 2001 when a group of guerrillas raided three villages in Kodori gorge killing 14 people and shotting down helicopter with UN observers. Later unidentified helicopters and planes launched bombing raids in the region. Georgian authorities blamed Abkhaz and Russian forces in attempts to destabilize the situation and sent troops to the gorge.

[180] See *RFE/RL Newsline*, (October 11, 2001).

[181] See *RFE/RL Newsline*, (January 30, 2002).

[182] Since the end of 2000 under Putin's authority Russia has intensified its longstanding efforts to control the focus of Georgia's foreign policy by imposing a unilateral visa regime, cutting off energy supplies, and backtracking on prior commitments to withdraw Russia's military bases from Georgia.

[183] The raid of security agents on independent Rustavi-2 TV station triggered demonstrations in the streets of Tbilisi demanding resignation of Interior Minister, Prosecutor and Security Ministers of Georgia. Shevardnadze dismissed entire government and accepted resignation of Zurab Zhvania, speaker of Parliament.

[184] Paul Goble "Caucasus: Analysis from Washington, What Next in Georgia? ", *RFE/RL Research Report*, (November 2, 2001).

[185] In an interview to Russian defence minister Sergey Ivanov argued that Pankisi gorge is a safe heaven for international terrorists and called Georgia to allow Russian troops to carry out anti-terrorist campaign there. Source: ITAR-TASS, (February 18, 2002) in Russian. See also *RFE/RL News Line*, (October 3, 2001).

[186] Miriam Lanskoy, "Anti-Terrorism As Pretext: Russia Taking Aim At The South Caucasus?" John Hopkins University, Central Asia and Caucasus Analysis, (SAIS), February 2, 2000,<http://www.cacianalyst.org/Feb_2_2000/RUSSIA_and_SOUTH_CAUCASUS.htm>, Accessed: march 21, 2002.

out anti-terrorist operations in Pankisi gorge.[187] Instead, Georgia asked the US government to train Georgian counter-terrorism units that would carry out special anti-terrorist operations on the territory of Georgia.[188] Though Russia's State Duma seems uneasy about presence of American military instructors in Georgia[189] Putin's unwillingness to accentuate further on this issue[190] should be looked through the broader context of geopolitical shift in the world order after the September 11 fallout. Whatever are the real intentions of Putin in supporting the US-led anti-terrorist coalition, there are at least two strategic goals that are directly linked with the post-Soviet space in general and the South Caucasus in particular. First, an immediate goal may be to eliminate international terrorist networks that potentially threaten Russia's own security.[191] Second no less pressing issue for Russia is its relations with the CIS. While Moscow gradually reduces its military presence in the "near abroad"[192] it is searching for new forms of military cooperation with the CIS states. Common "enemy" such as international terrorism and extremism is believed in Moscow to provide a new basis for further integration of the CIS states into a single political-military security system – long-sought-after goal of Russia.[193]

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[187] Jean-Christophe Peuch, "Caucasus: Russia May Benefit from September 11 Fallout", *RFE/RL Report*, (October 30, 2001).

[188] See *RFE/RL Newsline*, (20, 25, and 27 February 2002).

[189] On March 6, 2002 Duma adopted a statement "On the Situation in Georgia in Connection with the US Military Presence on its Territory" where it emphasized that "American military presence …will even further deteriorate situation in Georgia and in the Caucasus region." Source: NTV, Moscow, In Russian.

[190] Putin declared that Russia "recognizes territorial integrity of Georgia…" and stressed that "Georgia is sovereign independent state and can develop military cooperation with other states on its own will." Source: NTV Moscow, in Russian, March 6, 2002.

[191] Russia was quick to stress that the terrorist attacks against the US only vindicate Russia's "anti-terrorist" campaign in Chechnya, claiming that terrorist cells of the Caucasus, Central Asia, Afghanistan, and the Middle East are the components of a well coordinated extremist terrorist network that poses a grave threat not only to the stability of Russia and its southern CIS neighbors but also to the international security.

[192] Russia reduced 201st mechanized infantry division stationed in Tajikistan and transformed it to the military base, in 1998 agreed to withdraw its coast guards from Georgian-Turkey border and closed its bases in Vaziani and Gudauta in 2001 with the aim to close the rest two bases.

[193] Vladimir Yakovlev, former Commander-in-Chief of the Strategic Missile Forces of Russia, who was appointed by the CIS presidents' decision of June 1, 2001 as chief of the staff to coordinate military cooperation between CIS member states, emphasized that it was impossible to separate military cooperation

1.4.2. Militarisation of Armenia: A Factor of Instability in the South Caucasus

Armenia's post-Soviet foreign policy was to a large extent guided by its identity that was shaped by geographical location, ethnic and religious characteristics and historical narratives. The first crucial factor is its landlocked geographical location as a result of which Armenia perceived itself isolated and encircled by neighbouring Muslim states. Lack of outlets to open seas, major trade roots and natural resources are believed to be serious impediments to Armenia's economic development.[194] Armenian historical territorial claims on neighbouring states (Batum (Georgia) on the Black Sea, Turkey's eastern provinces, Azerbaijan's Nahchivan and Karabakh regions) are probably linked to Armenia's disadvantageous location. Coupled with traditional animosity towards the "Turks" and allegations of so-called genocide of 1915, Armenians, in time, developed negative identity perceptions of neighboring states. All these factors together with domestic struggle for power between various political groups that used instrumentally ethnic sentiments and animosities to carry out self-serving political agendas and pressure of Armenian Diaspora abroad forced Armenian leadership to continue pursuing a centuries-old irredentist policy after the dissolution of the Soviet Union. Back in 1988, Armenia commenced practical implementation of its policy of *miatsum* – forceful incorporation of Karabakh region of Azerbaijan into Armenia. The Karabakh problem to a great extent determined Armenia's foreign policy for the years to come.

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from anti-terrorist activity and said that his staff will be interacting with the CIS Anti-Terrorist Center that the CIS states agreed to create during Moscow CIS summit held on January 25, 2000. (Source: On-Line Pravda newspaper, in Russian, June 02, 2001).

[194] See Shireen T. Hunter, Ch. 3, Armenia: The Challenge of Viability" in "*The Transcaucasus in Transition…"* (1994).

Though militarily and economically weak Armenia took advantage of the domestic instability in Azerbaijan to advance militarily in Karabakh, Armenian authorities were aware that their capabilities to wage long war and let alone retain occupied territories were limited unless they establish military superiority over more populous, economically developed and oil-rich Azerbaijan. The Armenian leadership chose to bandwagon with the third power - Russia. Armenia – pioneer in declaring its independence among former soviet republics – was one of the first NIS that signed the CIS Charter and all its military-security treaties perhaps hoping that it would allow Armenia to activate CIS security structures in its war with Azerbaijan.[195] Though Armenia declared its intentions to create its own army right after the dissolution of the Soviet Union, it welcomed Russian control over the 7th Army stationed in Armenia (about 23,000 troops in mid-1992).[196] Armenia instrumentally playing on Russia's anxiety about Turkey's rising regional profile deliberately exaggerated the "Turkish threat."[197]Therefore, Armenia only welcomed Russia's plans to turn Armenia into a bulwark against "Turkish expansion." Armenia indeed became the main instrument of Russian assertive policy in the South Caucasus. Aiming at increasing Armenia's warfare capabilities since 1993 Russia began secret shipments of military hardware to Armenia and Karabakh that became known as a result of investigations by the Russian Duma defence committee in 1996-1997.[198] With the support of Russian military officers and equipment, Armenia by 1994, managed to occupy 20% of Azerbaijani territories.

[195] Andrei Zagorski, "CIS Regional Security Policy Structures" in Roy Allison, Security Dilemmas in Russia and Eurasia.
[196] Source: The Military Balance 1992-1993, (RIIS, London, 1992).
[197] Armenia was perhaps the only state among the republics of the FSU that embraced Cold War paradigms into its foreign policy. It consistently expressed its security concerns about proximity of Turkey – a NATO country.
[198] Detailed facts on the illegal transfer of arms, equipment and military property by Russian Federation to the Republic of Armenia from January 1993, to December 1996 and in 1998 can be found at official web-site of the President of Azerbaijan,<http://www.president.az/azerbaijan/nk/conf4.htm>.

Armenian authorities realized that as long as they would adhere to peaceful settlement of the conflict by continuing formal peace talks and using occupied lands as bargaining chip, they could preserve *status quo* and gain time for further military build-up. The constitutional coup against Armenian ex-president Levon Ter-Petrossian in February 1998 that happened after he advocated concessions to Azerbaijan proves the argument that survival of any Armenian leadership in power is linked to the Karabakh problem.[199]

A landmark treaty on "friendship, cooperation and mutual assistance" signed on 29 August 1997 between Russia and Armenia was first in row of several military treaties[200] that, by wording of Russia's President Boris Yeltsin, "could lead to a much deeper strategic partnership." It marked for the first time in the post-Soviet era that Russia committed itself by treaty to defend an ally militarily if attacked by a foreign country. In practical terms, according to the treaty, an attack on Armenia would be considered an attack on Russia, and vice versa.[201]

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[199] He reportedly declared that "We [Armenians] must take what we are given today, because tomorrow we'll not be given even this."

[200] On 11 October 2000 at Bishkek (Kyrgyzstan), the presidents of the six member states - signatories to the Collective Security Treaty (Armenia, Belarus, Kazakstan, Kyrgyzstan, Russia and Tajikistan) agreed to lift barriers to the supply of Russian military hardware amongst all member states; In April 1999, Armenia and Russia formally completed the integration of their air-defence systems with "joint command point" near Yerevan going on duty. Armenia thus became part of an integrated air defence system that also includes Belarus and Kazakhstan. The joint air defence has been substantially reinforced recently with the deployment in Armenia of Russian S-300 anti-aircraft systems and MiG-29 fighter jets Russian air force squadron, which consists of 13 MiG-23 fighters/interceptors, providing air cover to local Russia's bases from a possible attack by NATO missiles and fighter aircraft stationed at the Incirlik base in eastern Turkey. (See Emil Danielyan "Armenia: CIS Defence Chiefs Map Out Cooperation Despite Divisions", Yerevan, 20 May 1999 RFE/RL); On 1 March 2000 a protocol on the transfer without compensation of the territory and property of the 102nd Russian military base from Kafan to Gyumri for a period of 25 years, was signed between Armenia and Russia. (From the statement of the MFA of Azerbaijan 10 April 2000); In march 2001, between Russia and Armenia entered into force an agreement allowing Russian contingents to use weapons outside of Russian military bases (Source: Interfax.Ru, March 2001); On 17 April 2001, during the meeting of CIS Collective Security treaty Armenia and Russia agreed to create a joint rapid reaction military unit command-and-control of which would be carried out from Yerevan.
In May 2001 joint Armenian-Russian Air Defense System was activated and put on high alert No.1 and 2 in Armenia, which is reported to monitor air space along Armenian border. According to Russian news agencies special attention is paid to Armenian-Turkish border (Source: www.ntv.ru, Moscow).

[201] Harry Tamrazian, "Armenia/Russia: Landmark Treaty Includes Provision For Mutual Defence", *RFE/RL Newsline*, (29 August 1997).

If for Armenia cooperation with Russia was needed to maintain superiority over Azerbaijan and deter Azerbaijan from resorting to the military means of liberation its occupied territories, for Russia military presence in the region was aimed at preventing NATO and other external forces to get foothold in the Caucasus.[202] President Putin, who unlike his predecessor Yeltsin, pursued a more pragmatic foreign policy also rebuffed on 13 January 2001 during his official visit to Azerbaijan, upon criticism of Russian weapons redeployment from bases in Georgia to Baku's archrival Armenia arguing that "…since Georgia has demanded the removal of Russian (military) technology, and we believe that Russian equipment in this region is necessary, we didn't have any other choice…"[203]

Though Armenia justified its militarization by security concerns, in reality its security policy in the last decade only increased its insecurity bringing Armenia to complete political and economic disaster. Economic hardships caused mass exodus of population that coupled with low birth rate brought to the decline of Armenian population almost by half.[204] Being dependent on import energy Armenia was forced to abandon its outcry about "Muslim encirclement" and improve relations with Iran.[205] Armenia fearing to find itself in complete isolation[206] was forced to find a "*modus vivendi*" with Georgia and downplay territorial claims on Georgia. Armenia

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[202] Justin Burke: "Russian Official Expresses Opposition to NATO Presence in Caucasus" *RFERL Newsline*, (17 May 2000).
[203] AzTV "Xeberler" News Report, Baku, January 13, 2001.
[204] According to data at the disposal of the Armenian national statistics service, in comparison with last year, in 1999 the growth of population decreased by 22.8 per cent which is caused by a drop in the birth rate (by 7.1 per cent) and an increase in the death rate (by 3.8 per cent). (Source: Noyan Tapan news agency, Yerevan, in Russian 12:35 GMT 18 July 2000).
[205] In December 2001, Armenian president Kocharian visited Iran where he discussed with his counterpart Muhammad Hatami further bilateral cooperation in the sphere of regional security and stability as well as $120 million worth gas pipeline project from Iran to Armenia (Source: *Pravda.Ru*, December 26, 2001).
[206] Georgia is the only outlet for Armenia's trade (except Iran) because since 1988 when Armenia unleashed undeclared war against Azerbaijan and occupied 20% of Azerbaijani territories Turkey sealed off its border with Armenia making the issue of opening border conditional to restoration of Azerbaijan's territorial integrity.

also was interested in quelling Armenian separatist aspirations in Javakheti region.[207] Thus, Armenian irredentist policy that resulted in the shift of overall regional military balance even further complicated the situation in the South Caucasus and contributed to the regional instability.

[207] During his visit to Yerevan (Armenia) on 23-24 October 2001, Shevardnadze signed a treaty on "Friendship, Cooperation and Mutual Security", which emphasized that Georgia and Armenia's respective security ties with Turkey and Russia are not directed against each other. Source: *RFE/RL Newsline*, (October 24, 2001).

CHAPTER II

GEOPOLITICAL PLURALISM IN THE SOUTH CAUCASUS: THE ROLE OF TURKEY

2.1. The New Mission in the South Caucasus: Can Ankara Do It Alone?

As was mentioned in the first chapter the security environment in the South Caucasus after the demise of the Soviet Union was characterized on the one hand by the on-going ethnic and territorial conflicts that exacerbated domestic turmoil in the South Caucasian states and on the other hand by Russia's attempts to reinstate its lost position in the region using regional conflicts. The deadlock in the conflict resolution and the continuing military, political and economic pressure from Russia forced Azerbaijan and Georgia to seek external support and diversification of their security ties by developing relations with powerful extra-regional states.

After the end of the Cold War Turkey was frequently referred to as a rising multi-regional power with potential influence in its periphery. Being a sole country bordering the South Caucasus and having both institutionalized links with the West and cultural, historical ties with the South Caucasian countries, Turkey was considered by Azerbaijan and Georgia to be a natural counterweight against Russia's regional hegemonic aspirations. Therefore it is important for our study to explore the role Turkey played in the regional politics.

2.1.1. The New Activism in Foreign Policy

It is difficult to understand Turkey's objectives and policies in the South Caucasus without taking into account Turkey's general foreign policy patterns during and after the Cold War. Therefore, a brief outlook of the evolution of Turkey's foreign policy strategy is necessary. Since its establishment in 1923, the Turkish Republic, guided by famous principle "*peace at home, peace in the world*" attributed to Atatürk, abolished expansionist foreign policy of the Ottoman Empire, refrained from involvement in turbulent neighboring regions and concentrated mainly on domestic issues. Turkey's primary foreign policy objectives throughout the years were to strengthen its statehood, preserve territorial integrity and independence. As a result, Turkey developed a cautions foreign policy that sometimes resembled isolationism.

Structural changes in the international system in 1950s, namely the bipolar character of the international configuration made it impossible for Turkey to follow its policy of non-alignment. Given the traditional Western orientation of Turkey coupled with the need for political, economic and military support from the West, Turkey established close ties with the Western states. Soviet territorial claims also pushed Turkey to anchor itself with the Western security alliance - NATO. It participated in the regional alliances such as Baghdad Pact (1955) and CENTO (1955-1979) and became a bulwark against the containment of the possible Soviet expansion into the Middle East and eastern Mediterranean.[1]

After the notorious Johnson letter of 1964 Turkey's leadership came to realize that Turkey's approaches towards regions, which are of importance to its interests, differ

[1] See Ali L. Karaosmanoðlu, "Turkey's Security and the Middle East", *Foreign Affairs*, Vol. 62, No. 1, (Fall 1983).

substantially from that of its western counterparts and the US in particular. Though Turkey began to revaluate its strict pro-Western orientation and vigorously defended its national interests, still there were limits on how far Turkey could go in this revaluation of its foreign policy. Turkey's dependence on the Western economic and military aid and general East-West confrontation largely determined Turkey's external environment and restrained its foreign policy options.[2]

The end of the Cold War drastically changed the security environment in the world. Turkey, due to its location in the front line of inter-bloc confrontation was one of the first states that found itself in a qualitatively new geopolitical environment. Though détente between the USA and he USSR reduced the immediate threat coming from the Soviet Union, for Turkey this shift in international environment meant "mixed blessing". Turkey's strategic location was a cornerstone of its relations with the West. Though undoubtedly Turkey and the West benefited from close security relationships during the Cold War, the end of the bloc confrontation created doubts about the strategic utility of Turkey especially in Western Europe. At the same time drastic change in the geopolitical configuration in the world relieved Turkish foreign policy of certain constrains while simultaneously opened new horizons for Turkey's economic and political activities in the vast area stretching from the Balkans to Central Asia. However, though there were certain indications of more independent policy, Turkey's overall Western orientation was bound to affect its foreign policy options elsewhere in the future.[3]

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[2] For an insightful analysis of Turkey's Foreign Policy during the Cold War see Mustafa Aydin, "Determinants of Turkey's Foreign Policy: Changing Patterns and Conjunctures During the Cold War", *Middle Eastern Studies*, Vol. 36, No. 1, (January 2000), pp. 103-139.

[3] See Shireen Hunter, "Bridge or Frontier? Turkey's Post-Cold War Geopolitical Posture", *The International Spectator*, Vol. XXXIV, No. 1, (January-March 1999).

Since the late 1980s, Turkish society has vividly discussed the possible outcome of the end of the Cold War and its implications on Turkey. The view that the end of the Cold War would undermine Turkey's geo-strategic importance to the West that would eventually translate into reduction of economic and military aid was very popular in the Turkish public opinion. Postponement of Turkey's full membership application to the European Community (now European Union) in 1989 only added fuel to these suspicions.[4]

Turkish political and security elite had been searching for a new foreign policy strategy in the post-Cold War era. The 1990 crisis in the Persian Gulf was in this sense a geopolitical breakthrough for Turkey. The decision of the then Turkish President Turgut Özal to back American-led anti-Iraq international coalition and get actively involved into the Gulf crisis caught many at home and abroad by surprise. The reason for this was not so much Özal's decision to support international coalition during the Gulf war *per se*, since under the international circumstances every Turkish government perhaps would do the same move, as his single-handed actions that brush aside the traditions and patterns of cautious Turkish foreign policy.[5] He sent 100,000 strong army to the border with Iraq to engage Iraqi troops, allowed allied forces to use air bases on Turkish soil for air strikes and closed down profitable Kerkük-Yumurtalýk pipeline thus jeopardizing economic situation in Turkey.[6] When faced with the wave

[4] See Sabri Sayari, "Turkey: The Changing European Security Environment and the Gulf Crisis", *Middle East Journal*, Vol. 46, No. 1, (Winter 1992).
[5] See Mahmut Bali Ayhan, "Turkey's Policy in Northern Iraq, 1991-1995", *Middle Eastern Studies*, Vol. 32, No. 4, (October 1996), pp. 343-366.
[6] According to the Turkish MFA this pipeline used to bring to the Turkish budget $400 millions annually. Besides, Iraq was Turkey's key trade partner in the Middle East.

of criticism at home he simply rebuffed accusations saying that "I put in one and take out three".[7]

Özal indeed may have been interested in the Western, and mainly American economic, military aid, however his statements during and after the crisis indicate that the primary calculation behind his move was not so much economic but strategic in character.[8] Now that the prospects for Turkey's EU membership were uncertain and Turkey's role in the post-Cold War world order was vague, Özal was seeking a new foreign policy strategy that would secure Turkish national interests. This strategy, in his view, required modification of Turkish foreign policy patterns that became obsolete. During one of his press conferences in the aftermath of the Gulf crisis in 1991, he unequivocally declared that Turkey "should leave its former passive and hesitant policies and engage in an active foreign policy".[9]

Özal seemed to be convinced that Turkey was capable of pursuing a more assertive foreign policy in the regional and even global scale. Greater economic prosperity,[10] increased military capabilities, the decline of neighboring states, greater regional opportunity and a greater sense of policy independence after the end of the bloc confrontation indeed could be factors that encouraged Özal to redefine Turkish policy in such a drastic way. His policy was a reaction to the processes taking place in the changing world. As Alan Makovski argues, this "new

[7] In protest to Özal's single-handed actions Turkey's the then Chief of Staff Necip Torumtay, Minister of Foreign Affairs Ali Bozer and Defence Minister Sefa Giray resigned.
[8] See James Brown, "Turkey and the Persian Gulf Crisis", *Mediterranean Quarterly*, Vol. 2, No. 2 (Spring 1991).
[9] Quoted in Alan Makovski, "The New Activism in Turkish Foreign Policy", *SAIS Review*, Vol. 19, No. 1 (Winter-Spring 1999).
[10] For an overview of Turkey's economy in the 1990s see "Turkish Economy after 1980" in Onur Oymen (ed.) *Turkish Challenge: Turkey, Europe and the World Towards the 21st Century*, (Rustem, Cambridge Univ. Press, 2000), pp. 120-170.

activism" in Turkish foreign policy "…represents a trend resulting from structural factors in Turkey's domestic, regional, and international environment."[11]

Though Özal's actions were initially interpreted as the beginning of the transformation of Turkish traditional foreign policy, his ultimate goals seemed to be traditional. As Mahmut Ayhan argues "…what has changed is means to pursue Turkish foreign policy."[12] Just like the Korean War, the Gulf crisis was a "golden opportunity" for Turkey to show its commitment to the West and highlight its continuing strategic importance.

To the disappointment of Turkey, some expectations did not come true. Turkey's stand during the Gulf War did not translate into an increase of Western economic and military assistance, the EU did not change its attitude in regard of such questions as Kurdish insurgency in South-East Anatolia, and Turkey's bid for full EU membership was still ambiguous. However, post-Cold War developments in Eurasia namely the Gulf War, the break up of the USSR in 1991 and Yugoslavia in 1992 indeed prompted decision-makers in the West and in the USA in particular to reconsider the future role of Turkey in a changed world. Some observers believed that Turkey might be an effective barrier against the instability emanating from the South, while others saw Turkey's role as a bridge between East and the West.[13]

Due to its strategic location, overall economic potential and the size of population Turkey was considered a pivotal state with potential influence in such regions as the Balkans, Mediterranean, the Middle East, the South Caucasus, the Black Sea basin and Central Asia.[14]

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[11] Alan Makovski, "The New Activism in Turkish Foreign Policy", (Winter-Spring 1999).
[12] Mahmut Ayhan, "Turkey's Policy in Northern Iraq, 1991-1995", (1996), p. 347.
[13] See Ian O. Lesser, "*Bridge or Barrier? Turkey and the West after the Cold War*", Report R-4204-AF/A, RAND: Santa Monica, Calif., (1992); See also Graham E. Fuller, Ian O. Lesser (eds.) *Turkey's New Geopolitics: From the Balkans to Western China*, (Boulder, Colo.: Westview Press, 1993).
[14] See Robert S. Chase, Emili B. Hill, and Paul Kennedy, "Pivotal States and the US Strategy", *Foreign Affairs*, Vol. 75, No. 1, (January/February 1996).

Brzezinski considers that Turkey's importance as a geopolitical pivot derives not so much from its power and motivation as from its "sensitive geographical location, which gives it a special role either in defining access to important areas or in denying resources to a significant player."[15] The Turkish leadership also stressed that Turkey's multiple identity presupposed multi-vectored foreign policy in the new environment.[16]

Though Turkey's multi-regional profile tended to grow its ability to play an active role in adjoining regions was believed to be dependent on its domestic political situation.[17] Turkey's domestic situation in its turn was influenced by its external environment. Though after the Cold War Turkey no more confronted the Soviet, threat its security environment was no less threatening. Turkey had unresolved disputes with Greece over Aegean Sea and Cyprus; its relations with Syria and Iraq were strained over water problem, alleged support for PKK terrorist groups by these states; relations with Iran were also tense because of the latter's alleged support for the PKK and Islamic groups in Turkey. Coupled with Turkey's stalled EU membership this environment could increase the feeling of isolation in Turkey that might result in the rise of the extreme lefts and rights in the political spectrum of Turkey. This possibility was desirable neither in Europe nor in the US. Whatever are the prospects of Turkey's EU membership, European countries were aware of the consequences of Turkey's alienation from

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[15] See Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, (N.Y.: Basic Books, 1997), p. 41.

[16] See ªule Kut, "The Contours of Turkish Foreign Policy in the 1990s" in Barry Rubin & Kemal Kýrýþci (eds.) *Turkey in World Politics: An Emerging Multiregional Power*, (Boulder-London, Rienner Publishers, Inc., 2001), pp.5-11.

[17] See Ian O. Lesser, Ch. 4, "Turkey and Security in the Eastern Mediterranean," in Ian O. Lesser (ed.) *NATO Looks South: New Challenges and New Strategies in the Mediterranean*, RAND Report MR-1126-AF, (Santa Monica, CA, 2000), p. 27. See also Meltem Müftüler, "Turkey's New Vocation", *Journal of South Asian and Middle Eastern Studies*, Vol. XXII, No. 3, (Spring 1999), p. 5.

Europe that did not correspond to their long-term interests to have stable, democratic, secular Turkey in their immediate neighborhood.

Though the Gulf War revealed continuing strategic importance of Turkey to the US, the future of the U.S.-Turkey relations as well as Turkey's overall regional role was also believed to bear on the domestic political developments in Turkey.[18] This was another reason why the USA encouraged more active role for Turkey in regional affairs along with continuing support for Turkey's EU membership. Turkey's role model as a secular, market-based Muslim country was believed to further encourage democratic reforms in Turkey. As argues Aydin Yalcin:

> A Turkish model acted as a stimulant in the difficulties and disappointments, which attended [Turkey's] efforts to create a democratic and pluralistic society at a time when it was still well behind the advanced industrialized states of the West.[19]

2.1.2. The "Turkish Model": A Framework for Turkey's Foreign Policy?

Though internal political processes in the Soviet Union in the late 1980s indicated that the USSR underwent drastic structural changes with the consequences that were to go well beyond its borders, nobody had expected such a quick break-up of the SU. Though Turkey welcomed reforms in the USSR that allowed the Soviet republics (five of which were of Turkic origin) to have direct cultural and economic contacts with foreign states, Turkey refrained from excessive popularization of its relations with the Turkic republics. Turkish leadership was careful to avoid giving any perception of interfering into internal affairs of the Soviet Union – a powerful neighboring country that was becoming an important trade partner for Turkey. Turkey's

[18] See Marios L. Svriviades, "Turkey's Role in the US Strategy During and After the Cold War", *Mediterranean Quarterly*, Vol. 9, No. 2, (Spring 1998),

[19] Cited by Andrew. Mango, "The Turkish Model", *Middle Eastern Studies*, Vol. 29, No. 4, (October 1993), p. 726.

cautious approach to the processes in the Soviet Union was illustrated by Özal's remarks on the tragic events in Baku in January 1990. Anticipating the wave of criticism at home, he nevertheless declared that the events in Azerbaijan should be of more concern to Iran than to Turkey as Azerbaijanis are mostly Shiites.[20]

When the Soviet republics declared their independence in 1991 Turkey did not hurry to recognize them. Though Turkey was the first country to recognize the independence of Azerbaijan on November 9, 1991 this move was motivated by an attempt to pre-empt possible Iranian diplomatic recognition of Azerbaijan.[21]

However, when the Soviet Union *de facto* and *de jure* demised in December 1991 Turkey's political elite, intellectuals, the media and the public enthusiastically welcomed the emergence of the newly independent states (NIS). Turkey's political elite regarded dissolution of the Soviet Union as a "historical opportunity" for Turkey. [22] There were several reasons for such assumptions. First, an "emerging Turkic world" provided opportunity to breakthrough the sense of isolation in international arena. The Turkic republics were regarded as natural allies that would support Turkey in the international forums. The then Prime Minister Süleyman Demirel on his way back from the tour to Central Asia in April 1992 spoke about the "Gigantic Turkic world stretching from the Adriatic to the Great Wall of China". As Ziya Onis argues:

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[20] Cited by Kemal Karpat, "The Role of Turkey and Iran in Incorporating the Former Soviet Republics into the World System", in Dawisha Karen (ed.) *The International Dimension of the Post-Communist Transitions in Russia and New States of Eurasia*, (Armonk New-York-London: M.E. Sharpe,1997) p. 176.

[21] During the ceremony held in Baku on January 15, 2002 and dedicated to the 10th anniversary of establishment of the diplomatic relations between Azerbaijan and Turkey Bilal ªimºir, ex-Director-General of the MFA's department responsible for the CIS told that information about the possible recognition of Azerbaijan by one neighboring country prompted Turkey to recognize Azerbaijan first despite heavy pressure of Russian ambassador to Ankara A. Chernishev and warnings of NATO members (Source: Baku-based daily on-line newspaper <www.*zerkalo.az*>, January 15, 2002).

[22] In his opening speech in Turkish Grand National Assembly (TBMM) on September 1, 1991, Özal described the situation created by the end of the Cold War and the breaking up of the Soviet Union as an "historic opportunity" for the Turks to become a "regional power".

> The dramatic significance of the emergence of the Turkic Republics is that they have helped Turkey to overcome its cultural isolation – an isolation that stems from being neither Arab nor fully European. Turkey, at least, has been able to find a new group of countries to which it can relate both culturally and economically.[23]

Secondly, as was previously mentioned in the post-Cold War era Turkey had been searching for a new role for itself. Relations with the Turkic states were believed to boost Turkey's importance for the West and provide a new basis for the strategic cooperation with the West.[24] Though some politicians in Turkey voiced the possibility that the Turkic republics could be an alternative to Turkey's European vocation, Turkey's relations with these states were supposed to be 'complimentary to Turkey's western attachment.'[25] Süleyman Demirel is quoted to say that:

> In Central Asia we [Turks] are the emissaries of Europe. We are the Europeans who are taking European values to Central Asia…we want to remain Europeans…it is in Europe's interests to see that a modern, secular, and democratic Turkey is seen as the role model for the ex-communist countries in the region.[26]

The discourse in the Turkish public on the Turkey's foreign policy towards the Turkic states gradually translated into the "Turkish Model" concept which provided an overall framework for Turkey's approach to the Turkic world. A Turkish political economist Aydýn Yalçýn noted that the "Turkish Model" concept had arisen outside Turkey.[27] Indeed, Turkey became even more enthusiastic to play an important role in Central Asia when it became clear

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[23] See Ziya Onis, "Turkey in Post-Cold War Era: In Search of an Identity", *Middle Eastern Journal*, Vol. 49, No. 1, (Winter 1995), pp. 48-83.
[24] See Idris Bal, *Turkey's Relations with the West and the Turkic Republics: The Rise and the Fall of Turkish model*, (Aldershot, Ashgate, 2000), p. 114.
[25] See Oral Sander, "Turkey and the Turkic World", *Central Asian Survey*, Vol. 13, No. 1, (1994), p. 37
[26] Cited by Idris Bal, "*Turkey's Relations with the West and the Turkic Republics...*" (2000), p. 52.
[27] Cited by Andrew. Mango, "The Turkish Model", *Middle Eastern Studies*, Vol. 29, No. 4, (October 1993), p. 726.

that the West supported and even encouraged Turkey to lead independent Turkic states. After a meeting with the Turkish Prime Minister S. Demirel in Washington D.C. on February 13, 1992, the U.S. President Bush pointed to Turkey as "a model of a democratic, secular state, which could be emulated by Central Asia."[28] The Secretary-General of the Council of Europe Mme Catherine Lalumière during her visit to Central Asia in June 1992[29] also declared that "Turkey provided a valid model of development for many newly-independent countries".[30]

The West's endorsement for the "Turkish Model" was not however a confirmation of the maturity of this model. Turkey itself was a country that still was undergoing economic and political reforms. The Turkish leaders themselves were aware that along with the opportunities, Turkey's "new mission" posed new challenges and problems. Continuing economic difficulties and problems within Turkey indeed put serious constrains on Turkey's capabilities to engage actively in the post-Soviet space. Turgut Özal speaking about the prospects of Turkey's relations with the Turkic states told that:

> It would take years for these countries to understand how to operate democracy and a market economy…Turkey will do what it can to help, but we have our own problems and we will need support and we will expect the EC and the US to give us this backing.[31]

Western promotion of the "Turkish Model" was thus guided mainly by political and strategic calculations. The Western countries desired that the Turkic republics adopt and adhere to such principles as secularism, democracy, and market-oriented economy, which in fact were the basic characteristics of the "Turkish Model." It was believed that cultural, ethnic, linguistic

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[28] Cited by Idris Bal, "*Turkey's Relations with the West and the Turkic Republics...*" (2000), p. 115.
[29] The then Turkish Foreign Minister Hikmet Cetin accompanied her during this trip.
[30] See A. Mango, "The Turkish Model", *Middle Eastern Studies*, Vol. 29, No. 4, (October 1993), p. 726.
[31] Cited by Idris Bal, *Turkey's Relations with the West and the Turkic Republics: The Rise and the Fall of Turkish model*, Aldershot, Ashgate, (2000), p. 51, originally appeared in *Guardian,* April 3, 1992.

affinities Turkic republics feel towards Turkey would stimulate them to follow Turkey's path of development thus accepting overall Western strategic orientation.

The European countries and the USA in particular did not possess much information about the real state of affairs in Central Asia, fact-finding missions had not been sent yet and in general, the West was cautious in dealing with the new and highly unpredictable region. At the same time, there was a fear that the emerged power vacuum in Central Asia after the demise of the Soviet Union would be filled by the radical Islamic fundamentalism sponsored by Iran. This could eventually increase Iranian influence in the region that would inevitably lead to the emergence of the anti-western sentiments (Bal, 2000, p. 107). Given that the U.S. and the European states carefully avoided any paradigms of the religion-based East-West standoff formulated by Huntington as "Clash of Civilizations",[32] Turkey's role model could potentially be used not only for the Turkic states of Central Asia but also for entire Muslim world.[33]

2.1.3. Relations with the Turkic states: Sentiments vs. Realities

Turkey's initial foreign policy towards the newly independent Turkic republics was based on cultural, ethnic and linguistic affinities. The close kinship ties indeed played a principal role in consolidating public support for Turkey's active engagement in the Soviet South. Speaking at TIKA on September 14, 1994 Demirel stressed that:

> Turkish foreign policy is guided by both national interests and moral responsibilities before brothers and sisters with whom we [Turks] share history, customs, language.[34]

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[32] See S. Huntington, "The Clash of Civilizations", *Foreign Affairs*, Vol. 72, No. 3, (Summer 1993).
[33] Probably out of these considerations, the US and Britain asked Turkey to take over the International Security Assistance Force (ISAF) troops' command in Afghanistan.
[34] Idris Bal, (2000), p. 44, also note 6.

Turkey's active engagement in the NIS was encouraged also by the political parties (mainly right-wing like MHP), for whom the "Turkish Model" framework provided also a convenient political platform, through which they could now freely promote their nationalistic political agendas.[35]

The first major delegation that included Turkish Foreign Minister Hikmet Cetin with a fact-finding mission visited Central Asian states between 28 February – march 6 1992. Turkish government prepared a complex of initiatives mainly in the economic and cultural fields. The Turkic republics of the former Soviet Union (FSU) enthusiastically welcomed Turkey's proposals for cooperation hoping that Turkey with its long traditions of relations with the Western institutions would facilitate access to the dynamic financial markets, advanced technology needed for successful economic transformation.[36] Turkey indeed along with bilateral relations promoted membership of Turkic states in the leading international organizations such as OSCE, NACC, IMF, World Bank hoping in this way to integrate them into the world and consolidate their independence. In 1992, Turkey established Turkish Cooperation and Development Agency (*Türk Iþbirliði ve Kalkýnma Ajansý - TIKA*) as part of MFA to facilitate the multi-sided relations with the Turkic republics. The MFA also formed the Turkic Cultures and Arts Joint Administration (TÜRKSOY), Research Foundation of the Turkish World, and the Turkish Cultural Research Association. Turkey opened credits via Turkish

[35] The popularity of Nationalist Action Party (MHP) headed by Alparslan Turkes (after his sudden death in 1997 the party leader became Devlet Bahceli) has been growing since 1990s and culminated in 1999 elections when MHP won 21% of votes and got 16 seats in the Parliament.

[36] See Kemal H. Karpat, "The Foreign Policy of the Central Asian States, Turkey, and Iran", *International Journal of Turkish Studies*, Vol. 6, Nos. 1&2, (Winter 1992-1994), p.102.

Eximbank for the NIS.[37] Alongside with the official agencies a number of small and mid-sized private enterprises have found in Central Asia potential market for their manufactured goods and acted on their own. In 1992 Turkey began broadcasts of its TRT INT – Avrasya TV channel to the Central Asia and Azerbaijan. Activities of Turkish telecommunications companies such as NETAS and TELETAS were regarded as an "industrial frontiersman" of Turkey's policy towards the Turkic republics.[38] Thus, by mid-1992 Turkey has made a bold bid for leadership and influence in the region in the political, financial, cultural, economic, military fields.[39]

The results of first Turkic summit of Turkic-speaking countries held in Ankara on October 30-31, 1992 were however somewhat disappointing for Turkey. Though Central Asian states in general welcomed cooperation with Turkey they made clear their own vision and scope of cooperation with Turkey.[40] They refused to consider such sensitive issues as recognition of TRNC[41], Armenian aggression against Azerbaijan.[42] The President of Kazakhstan N. Nazarbayev declined Turkey's proposal to sign agreements concerning transportation of Kazakh oil via Turkey's territory. As a result, the only document adopted

[37] Total amount of credits is $1103,26 millions, $779, 73 of which were used for goods and various programs. Source: Idris Bal, "*Turkey's Relations with the West and the Turkic Republics"* (2000), TIKA 1999, from the Table 2.7, p. 83

[38] See Philip Robins, "Between Sentiment and Self-Interest: Turkey's Policy Toward Azerbaijan and the Central Asian States", *Middle East Journal*, Vol. 47, No. 4, (Autumn 1993), p. 605.

[39] See Graham E. Fuller, "*Turkey Faces East*", Report R-4232 AF/A, (Santa Monica, CA, RAND, 1992), p 38.

[40] For example in response to Turkey's proposal to create Turkic Union Nazarbayev voiced his disapproval of any kind of 'Greater Turkestan' formation.

[41] This was perhaps the only time when Turkey asked Turkic republics to recognize Turkish Republic of Northern Cyprus.

[42] In subsequent summits however, Turkic states condemned separatism, which jeopardizes territorial integrity, sovereignty and security of Turkic countries.

during the summit was the Ankara declaration that outlined in general terms the need to develop cooperation in the fields of education, culture, languages, economy, and legislature.[43]

Though the Turkic summits are held on an annual basis, they failed to match initial expectations of Turkey. Turkey's projects to create a common market, Turkic development and investment bank and a kind of Turkic commonwealth were postponed for an uncertain future.[44] Moreover, Central Asian leaders stressed continuously that Turkic summits should not jeopardize their commitments in the CIS.[45] Apparently, by mid-1996 Turkish MFA was not seeking further to institutionalize ties with Turkic states on a supranational basis.[46]

Though existence of the cultural factor as a base for relations indeed was advantageous to Turkey in fostering ties with the Turkic states, in the long-term it had complicated the maintenance of Turkey's policy and interests in the post-Soviet space. Turkish political elite and public regarded Turkic republics as if they were one geopolitical entity collectively referring to them as *Türk Cümhuriyetleri* and without making any clear distinction between Turkic states of Central Asia and Azerbaijan.[47] As a result, it seems that the Turkish leadership initially underestimated the peculiarities of these states and different geopolitical factors that affected foreign policies of the NIS in Central Asia and the South Caucasus.[48]

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[43] See Gareth Winrow, "*Turkey's Policies in Post-Soviet Central Asia*", (London: RIIA, 1995), p. 18-19.
[44] Though leaders of Turkic states returned to the question of "Turkic Common Market" during the second summit in October 1994 in Istanbul, the proposal again did not go beyond formal discussions.
[45] It should be noted that among the Turkic states only Azerbaijan from the outset welcomed broad political and economic integration of the Turkic states.
[46] See Gareth Winrow, "Turkey and The Newly Independent States of Central Asia and Transcaucasus", *Middle East Review of International Studies*, Vol. 1, No. 2, (July 1997).
[47] See Philip Robins, "Between Sentiment and Self-Interest: Turkey's Policy Toward Azerbaijan and the Central Asian states", *Middle Eastern Journal*, Vol. 47, No. 4, (Autumn 1993), p. 597.
[48] See Elizabeth Fuller, "The Tussle for Influence in Central Asia and the Transcaucasus", *Transition*, (June 14, 1996).

After the first Turkic summit the Turkish leadership realized that it had to re-evaluate its interests and policy options in dealing with the Turkic states. There were several factors that Turkey initially failed to take into consideration. It became clear that though Central Asian leaders declared that "Turkey is a morning star that would lead the way" they were not willing to bind themselves exclusively to Turkey as this could limit their political maneuverability in pursuing their long-term regional interests. Moreover, the "Turkish Model" could not fully be applied to the Central Asian states as sociopolitical and economic realities in these states differed substantially from that of Turkey's. Though Central Asian elites chose market-based economic development, in the political sphere they were more inclined to adopt authoritarian methods of governing banning or suppressing the major opposition groups that could challenge the government.

'Turkey's excessive emphasis on the commonalities between the people of Turkey and the Turkic-speaking people of the former Soviet Central Asia and Caucasus resulted in resentment among these peoples since these views were in direct conflict with the individual and separate self-identities and national awareness formulated by each of these people.'[49] They half-heartedly approached declarations of several Turkish politicians that Turkey would assume leadership over the Turkic states probably making associations with the bitter experience of the Russian "elder brother" (*starshiy brat*).

Though Central Asian republics aimed at diminishing their economic dependence on Russia, it was to remain a leading trade partner for them for the years to come. Instead of allying with any external power, they chose to initiate their own regional cooperation. This was

[49] See Mustafa Aydin, "Turkey and Central Asia: Challenges of Change", *Central Asian Survey*, Vol. 15, No. 2, (1996), p. 165.

clearly seen during the second Turkic summit in Bishkek in August 1995 when Kazakhstan, Kirgistan and Uzbekistan initiated their own process of regional development that did not include other Turkic states.[50]

It was also evident that foreign policy of Central Asian states would be guided by the regional geopolitical dynamics. While land locked Central Asian states were willing to develop close ties with Turkey they realized the need to keep open other options. If Turkey was for them a gate to the Western Europe, given geographical proximity, Russia, China and Iran were as told Nazarbayev "communication gates to the world", meaning access to the regional transportation networks and world waterways.[51] As Graham Fuller argues:

> Geopolitics at a minimum, dictate the crucial importance of Iran as the sole land route to the Persian Gulf and to Turkey itself. Despite Washington's clearly articulated preferences for Turkey as the model for Central Asian development over Iran, no republic can afford to dispense with ties with Iran.[52]

Perhaps the main factor that forced Central Asian states to adopt a balanced policy was the growing threat of Islamic fundamentalism emanating from Afghanistan.[53] They only welcomed Russian-sponsored Collective Security Treaty (CST) of 1992 that extended Russia's security umbrella to Central Asia. Being aware that Russia and Iran became more and more uneasy with the Turkish expansion in Central Asia[54] the Central Asian leaders preferred to downplay relations with Turkey in order not to unnecessarily complicate relations with Russia

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[50] In June 1995 they established Central Asian Bank for Cooperation and Development. In the security field they initiated regional security dialogue and decided to create separate peacekeeping battalion CENTRASBAT.

[51] Kemal H. Karpat, "The Foreign Policy of the Central Asian States, Turkey, and Iran", *International Journal of Turkish Studies*, Vol. 6, Nos. 1&2, (Winter 1992-1994), p.102.

[52] See G. Fuller, "*Turkey Faces East*", p. 42.

[53] See Hooman Peimani, "*Regional Security and the Future of Central Asia: The Competition of Iran, Turkey, and Russia*", (Westport-Connecticut, London, Praeger, 1998), pp. 31-35.

[54] During the second Turkic summit held in October 1994 in Istanbul Russian MFA issued a statement that stressed unacceptability of international relations based on "racial criteria".

and Iran.[55] Interestingly, Iran too, was responsive to concerns of Central Asian states and pursued a cautious policy in the region demonstrating no interest in promotion of the Islamic radicalism.[56]

Turkey gradually discovered that though ethnic bonds indeed help to establish special relationships in the cultural sphere, this cultural dimension did not translate automatically into the Turkish "sphere of influence."[57] Some observers even suggested that 'Turkey is too weak to have more than a marginal impact on these republics.'[58]

However, before assessing whether Turkey's policy in Central Asia was successful or not, it is necessary to make clear the Turkish interests in the region. By the time Demirel replaced Özal in office in April 1993 Turkey had already returned to its pragmatic policy abandoning its bid for a separate sphere of influence in Central Asia and concentrating instead on geopolitical pluralism that would secure Turkey's access to the region. Of course as Gareth Winrow argues 'no Turkish government is able to adopt a dismissive line towards the notions of Turkic brotherhood and solidarity given the background of the upsurge of nationalistic feelings in Turkey.'[59] However, Turkish policymakers realized that unlike the South Caucasus, where Turkey had security interests, in Central Asia Turkish national interests were not "vital" as far as Turkey's security is concerned and confined to the preserving cultural ties and developing

[55] Interestingly, Uzbekistan president Islam Kerimov and at times Turkmenistan president Saparmurad Niyazov are absent during the summits perhaps downplaying in this way the importance of the meetings of Turkic states.
[56] See Edmund Herzig, "*Iran and The Former Soviet South*", (London: RIIA, 1995).
[57] Although the concept of "Sphere of influence" is not really well-defined it implies that a political actor enjoys some kind of singular influential position concerning a certain issue area or geographic region and whose interests and activities are regarded as parameters for other actors' definition of interest and their activities.
[58] See Philip Robins, "Sentiment and Self-Interest", (1993), p. 595.
[59] See Gareth Winrow, (1995), p. 3.

economic relations. Moreover, Turkish leadership was aware that the exacerbation of rivalry with Russia and Iran that already were uneasy with the Turkey's cultural penetration would only further reveal Turkey's severe limitations to meet the needs of Central Asian states.[60]

2.2. Turkey's Strategic Engagement in the South Caucasus

2.2.1. Turkey's Dilemma in the South Caucasus

Since the demise of the Soviet Union Turkey, within the framework of the promotion of the "Turkish Model" for the Turkic states, focused its South Caucasian policy on Azerbaijan – the only Turkic state in the region. Though Turkey recognized Georgia in November 1991 along with other NIS it did not establish diplomatic relations with Georgia until May 1992. This low-profile policy in regard of Georgia only partially derived from the lack of the strategic importance of Georgia for Turkey until 1994. Turkey's policy in regard of Georgia was to a considerable extent influenced by the pro-Abkhaz émigré lobbies of North Caucasian origin.[61] As a result, Turkey retained its neutrality in Abkhazian and South Ossetian conflicts refraining from preventing Abkhaz groups from extending their support to their kins in Abkhazia and at the same time recognizing Georgian territorial integrity.[62]

Turkey's attention was concentrated on the armed conflict between Azerbaijan and Armenia over Karabakh, which was considered a major challenge to Turkey's objectives in the region. It was in a sense a litmus test for matching Turkey's intentions to play an active role in

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[60] Heinz Kramer, "Will Central Asia Become Turkey's Sphere of Influence" *Perceptions*, Vol. 3, No. 4, (March-May 1996).

[61] According to Svante E. Cornell there are half a million of Turks with Abkhaz origins. The North Caucasian Diaspora in Turkey that is in favour of Abkhazians is estimated at 6-7 millions (Svante Cornell, (ed.) *Small Nations and Great Powers*, (London: Curson Press, 2000).

[62] See Svante E. Cornell, "Turkey: Priority to Azerbaijan", Ch. 7 in Svante E. Cornell (ed.) *Small Nations and Great Powers* (2000), p. 306-307.

the region and its capabilities to do so. Turkish foreign policy toward the Karabakh conflict illustrated how complicated was the process of the Turkish policy-making.[63] The coalition government of Demirel was under the double pressure from both domestic and external factors that severely constrained government's policy options.[64] Though everybody in Turkey realized that this conflict had broader implications on the overall Turkey's role in the former Soviet South, the views differed on the nature of these implications. The opposition parties, solidarity groups, media accused the government in lack of action and pushed the government for the military involvement into the conflict on the Azerbaijani side. The view of the government's opponents was clearly stated by Bülent Ecevit (leader of DLP), who told that the Turkish government's failure to demonstrate unambiguous support for Azerbaijan might ultimately undermine Azerbaijan's and Central Asian confidence in the Turkish political model.[65] The then Prime Minister Demirel however, advocated a policy of non-intervention into the conflict arguing that "…intervention will not solve the problem…may be the problem will start when you intervene."[66]

Turkey's policy in regard of the Karabakh conflict was not as assertive as many predicted it would be. Though Turkey refrained from officially involving into the conflict on the Azerbaijani side, its policy cannot be characterized as neutral either. Turkey undertook several 'behind-the-scenes' diplomatic efforts both in regard of Azerbaijan and Armenia that were

[63] On the Turkish policy making process see Þaban Çalýþ, "The Turkish State-Identity and Foreign Policy decision-making process", *Mediterranean Quarterly*, Vol. 6, No. 2, (Spring 1995), pp. 135-155.
[64] On domestic factors influencing Turkish Foreign policy see Gareth Winrow, Ch. 4 "Turkish Policy-making and the Caucasus: The Role of Turkish Society" in Gareth Winrow (ed.) *Turkey and the Caucasus: Domestic Interests and Security Concerns*, (London: RIIA, 2000), pp. 30-39.
[65] Cited by Elizabeth Fuller, "Nagorno-Karabakh: Can Turkey Remain Neutral", *RFE/RL Research Report*, Vol. 1, No. 14, (April 3, 1992), p. 37.
[66] Cited by Idris Bal, (2000), p. 52.

aimed at prevention of the escalation of conflict. Though Turkey was one of the two countries[67] that that openly supported Azerbaijani cause Demirel criticized Azerbaijani new government's annulment of Karabakh's autonomy status in November 26, 1991 arguing that this did not serve stabilization.[68] The then Turkish foreign minister Hikmet Çetin announced in 1992 that Turkey was ready to upgrade its diplomatic relations with Armenia to the ambassadorial level, if Armenian forces would withdraw from Shusha and Lachin. However, Turkey's diplomatic efforts did not stop advance of the Armenian forces in Karabakh. In the wake of Khojaly massacre of February 1992, Demirel under pressure from the Turkish public and politicians took one-sided initiative on March 2, 1992 randomly obliging planes carrying cargo bound for Armenia to land in Turkey, where their cargo was checked for arms.[69] When Armenian troops occupied Kelbajar district thus opening the second corridor between Armenia and Karabakh Turkey in protest closed its airspace to flights to and from Armenia.[70] However, these steps also did not brought any results as Armenia began shelling Sadarak district of Nahcivan in the immediate proximity from the Turkish border. Despite Özal's remark that Armenians should be "frightened a little" and appeals of Mesut Yılmaz (leader of MP) to mass Turkish troops near the Armenian border Demirel criticized these appeals stating that "it is the government that is responsible for the country's foreign policy…and if the opposition wants a military solution, they should go to Nahcivan and fight."[71]

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[67] The other being Israel, for more on Israel's policy toward Azerbaijan see Bulent Aras, "Post-Cold War Realities: Israel's Strategy in Azerbaijan and Central Asia", *Middle East Policy*, Vol. 5, No. 4, (January 1998), pp. 68-82.

[68] See Suha Bolukbasi, "Ankara's Baku-Centered Transcaucasia Policy: Has it Failed?" *Middle East Journal*, Vol. 51, No. 1, (Winter 1997), p. 83.

[69] Suha Bolukbasi, "Ankara's Baku-Centered Transcaucasia Policy: Has it Failed?", p. 84.

[70] Subsequently Turkey under the pressure from the USA agreed to open air corridor to Armenia in April 1995.

[71] Cited by Idris Bal, (2000), p. 59.

After the new President Abulfaz Elçibey assumed power in Azerbaijan on June 7, 1992 it became even more difficult for Turkey to preserve its impartial image as Elçibey did not hide its foreign policy priorities openly stating that "Turkey will occupy the first place in Azerbaijan's foreign policy".[72] Though Turkey increased its diplomatic support of Azerbaijani position in the dispute by drawing attention of the international organizations (such as the OSCE) to the Karabakh conflict, nevertheless it staunchly preserved a "delicate balance"[73] toward the conflict. The Turkish government proposed a visiting high-ranked Armenian delegation in November 1992 to sign a protocol that envisaged selling Armenia 300 millions kilowatts of electricity per year on condition that Armenia renounces its territorial claims on Turkey's eastern *vilayets;* abandons its campaign for international recognition of the so-called 1915 genocide; refrains from providing logistical support for the PKK groups and cease the fighting in Karabakh.[74] Though this protocol was never implemented due to the reaction of the official Baku that considered this would-be agreement as a "stab in the back of Azerbaijan" the preconditions put forward by Turkey clearly revealed that Turkey's policy toward the South Caucasus and the Karabakh conflict in particular was guided by Turkey's interests and commitments in other regions.

First, in the mid-February 1992 Demirel urged Bush to refrain from overtly supporting Armenia as 'there was…concern in Ankara that Western support for Armenia's territorial

[72] See Elizabeth Fuller, "The Tussle for Influence", p. 12.
[73] I borrowed this phrase from Svante Cornell, "Turkey and the Conflict in Nagorno Karabakh: A Delicate Balance", *Middle Eastern Studies*, Vol. 34, No. 1, (January 1998), pp. 51-72.
[74] See Elizabeth Fuller, "The Thorny Path to an Armenian-Turkish Rapprochement", *RFE/RL Research Report*, Vol. 2, No. 12, (19 March 1993), p. 48.

claims to Karabakh might prove to be the thin end of the wedge and give rise to renewed irredentist demands by Armenia on lands in Eastern Turkey'.[75]

Secondly, by the time clashes in Karabakh escalated into the full-fledged war Turkey was already engaged in the resource-consuming fighting with the PKK terrorist groups in the South-Eastern Anatolia, which as the former Turkish Chief of Staff General Doğan Güreþ frankly stated, was the military's first priority.[76] This issue leads to the question of prioritization in the Turkish foreign policy. As argues Stephen Blank:

> Because Turkey also acts in the Balkans and the Middle East and faces a long-standing Kurdish insurgency at home, it cannot refrain from strategic engagement in those areas and concentrate exclusively in the Transcaucasus. Turkey's position at the junction of these regions prevents undue concentration on any one area lest it lose influence in the others.[77]

In other words, Turkey's multi-regional profile was also a factor that limited Turkey engagement in the south Caucasus. As seen from the list of preconditions, in the South Caucasus Turkey's primary security interest was to prevent support for Kurds from Armenia that reportedly had contacts with the Kurdish organizations and was eager to play the "Kurdish card" against Azerbaijan and to avoid overt involvement into the conflict.[78] Simply put, Turkey's could not afford a second "Caucasian front."

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[75] See Elizabeth Fuller, "Nagorno-Karabakh: Can Turkey Remain Neutral", p. 37.
[76] See Stephen Blank, Ch. 4 "Turkey's Strategic Engagement in the Former USSR and US Interests" in Stephen Blank, Stephen Pelletiere, William Johnsen (eds.) *Turkey's Strategic Position at the Crossroads of World Affairs*, (US Army War College, SSI, December 3, 1993).
[77] Stephen Blank, "Turkey's Strategic Engagement…", (1993).
78 According to Azerbaijan's Defence Minister Safar Abiyev about 200 Kurdish terrorists are being trained in the Lachin region of Karabakh and another 457 Kurdish militants are being trained in Armenia in order to infiltrate and destabilize Turkey. See Elkhan Nuriyev, "The Ongoing Geopolitical Game in the Caucasus and the Caspian Basin: Towards War or Peace?" (1999), <http://cns.miis.edu/cres/nuriyev.htm>; See also Elizabeth Fuller, "Kurdish Demands for Autonomy Complicate Karabakh Equation", *RFE/RL* Research Report, Vol. 1, No. 23, (June 5, 1992) and Robert Olson, "The Kurdish Question and Geopolitic and Geostrategic Changes in the Middle East after the Gulf War", *Journal of South Asian and Middle Eastern Studies*, Vol. XVII, No. 4, (Summer 1994), p. 51.

Another aspect that limited Turkey's maneuverability is that the Karabakh conflict was the fact that one part of a conflict was Armenia with which Turkey historically had strained relations because of the alleged "genocide" of 1915. Turkey feared that its active support for Azerbaijan 'would be inflated by the powerful Armenian Diaspora in the West so that Turkey would be pictured as planning new atrocities against Armenians.'[79] Besides, Turkey hoped that *rapprochement* with Armenia would prompt Armenians to abandon their campaign for the international condemnation of the "genocide" that at present harms Turkey's relations with the Western states[80] and may even become an obstacle for Turkey's EU membership in the future.

Turkish leadership also thought that improved relations with Armenia would obviate Yerevan's need for a Russian military presence. However, the Karabakh conflict prevented Turkey from doing this as Turkey made establishment of diplomatic and other relations with Armenia conditional to the withdrawal of Armenian forces from the occupied Azerbaijani lands.[81]

The war in Karabakh was also a stumbling bloc for Turkey's strategic objectives in the region. The conflict hampered Turkey's access to Central Asia, as it was not geographically contagious with the region. Though Turkey bordered Nahcivan province of Azerbaijan via small 11 km strip of land, this did not solve Turkey's access problem, as Nahcivan was separated

[79] See Svante Cornell, "Turkey and the Conflict in Nagorno Karabakh: A Delicate Balance", (January 1998), p. 66.

[80] After French Parliament recognized Armenian "genocide" in January 18, 2001, Turkey suspended France's participation in a $7 billion tender to equip Turkish armed forces with new tanks. See Jean-Christophe Peuch, "Armenia: French Parliament's Recognition of 1915 Genocide Angers Turkey", *RFE/RL Newsline*, (19 January 2001).

[81] Perhaps under the growing pressure from the US and EU an independent Turkish-Armenian Business Development Council (TABDC) was established on May 3, 1997 that consisted of retired Turkish and Armenian diplomats and businessmen who since then have been searching the ways to facilitate inter-governmental dialogue.

from the rest of Azerbaijan by Armenia.[82] Interestingly, Turkish peace plan for settlement of the Karabakh dispute supported by the US State Department that was proposed in March 1992 envisaged territorial swap between Azerbaijan and Armenia.[83] If realized, this "double-corridor formula"[84] would make Nahcivan geographically contagious with Azerbaijan proper thus providing unimpeded land access to Central Asia.

Stephen Blank argues that the real stake of Turkey in the Karabakh conflict was its desire to secure for itself the "middleman" role in the future East-West energy corridor[85] – the goal that could only be attained if the war in Karabakh was over.[86] Turkey also needed to preserve its status of "impartial mediator" as this would secure Turkey's participation in the conflict resolution in the South Caucasus and thus boost Turkey's stabilizing role in the post-Soviet South. It is evident that most of the above mentioned factors that obstructed Turkey's political and economic influence in the south Caucasus are directly or indirectly connected with Armenia. Perhaps, due to this "Armenian factor" some observers argue that 'the keystone of Turkish policy in the south Caucasus is Armenia.'[87]

The main external factor that constrained Turkey's maneuverability in the South Caucasus was its "Western alliance".[88] The NATO members fearing spillover of the conflict,

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[82] Alternative routes were either through Georgia that itself was in the brink of dismemberment or through Iran, that due to the "hidden rivalry" with Turkey over the influence in FSU on several occasions closed its border to the Turkish TIR trucks.

[83] According to the plan Karabakh was to become part of Armenia whereas Armenia would give Mehri region to Azerbaijan, thus connecting Azerbaijan with Nahcivan.

[84] See Gareth Winrow, *"Turkey and The Caucasus: Domestic Interests and Security Concerns"*, (London: RIIA, 2000), p. 12.

[85] The preliminary agreement of March 1993 to build oil pipeline from Azerbaijan to Turkey envisaged pipeline passing either vie Iran or Armenia (in case the war is over).

[86] See Stephen Blank, "Turkey's Strategic Engagement in the Former USSR and US Interests" SSI, (1993).

[87] See Baskin Oran, "The Turkish Approach to Transcaucasia and Central Asia," in Ole Hoiris and Sefa Martin Yurukel (eds.) *Contrasts and Solutions in the Caucasus*, (Aarhus: Aarhus University Press, 1998), p. 466.

[88] See Svante Cornell, "Turkey and the Conflict in Nagorno Karabakh…"p. 63.

that might involve Russia and probably Iran pressured Turkey to refrain from providing openly military aid to Azerbaijan.[89] Besides, Turkey had already faced criticism from the European allies in regard of its military operations against the PKK separatists. Given that the Germany refused to supply arms to Turkey fearing that it would be used against Kurds and the US made its military aid to Turkey conditional to the latter's compliance with the human rights standards, any additional "adventure" in the Caucasus would only further complicate Turkey's position.[90] Under these circumstances Turkey chose not to act unilaterally and could not in fact allow its policies to drift too far out of line with those of the Western powers.[91] Demirel's remarks that "we [Turks] will act with the world on the issue of Azerbaijan" illustrate this argument.[92] Thus, while evaluating Turkey's objectives in the south Caucasus 'trans-regional linkages should be taken into account. Turkey's regional policies cannot be adequately understood separately from its Western vocation and its relations with the US and the European Union (EU).'[93]

[89] The warning of the CIS Commander-in-Chief Evgeniy Shaposhnikov in May 1992 that Turkey's involvement into the Karabakh conflict might trigger the Third World War for sure reached its destinations.
[90] See Mahmut Bali Ayhan, "Perspectives on Turkish-US Relations Concerning Persian Gulf Security in the Post-Cold War Era", *Middle Eastern Journal*, Vol. 50 No. 3, (Summer 1996).
[91] See Willian Hale, "Turkey, The Black Sea and Transcaucasia" Ch.3 in John F.R. Wright, Suzanne Goldenberg, Richard Schofield (eds.) *Transcaucasian Boundaries*, (London: UCL Press Ltd, 1996), p. 56.
[92] See Idris Bal, (2000), p. 94.
[93] See Ali L. Karaosmanoðlu, "Turkey's Objectives in the Caspian Region", in Gennady Chufrin (ed.) *The Security of the Caspian Sea Region*, (SIPRI, Oxford University Press, 2001), p. 152.

2.2.2. Old Power Rivalries – New Concerns: Turkey - Russia - Iran Triangle

After the dissolution of the Soviet Union many analysts predicted that Turkey and Iran –historical rivals in the region - would rush into a new rivalry for influence in the former Soviet South. Such predictions were not groundless given the initial rhetoric from both sides. In response to the "Turkish model" of development, Iranian president Akbar Hashemi-Rafsanjani claimed in 1992 that Iran offered an "ideal model" for the post-Soviet Central Asian Republics thus revealing ideological and political competition between the two. However, this "clash of models" was not destined to last long as both Iran and Turkey realized that the excessive rivalry in Central Asia would be detrimental to their own interests.[94] Iran that still had been suffering from the devastating war with Iraq and economic consequences of the 1979 revolution was reluctant to engage openly in what subsequently was compared with the 19th century "Great Game".[95] Iran declared its neutrality in the Tajik civil war and refused to support Islamic groups suppressed by central governments in Kazakhstan and Uzbekistan to avoid any accusations of exporting "radical Islam" rather concentrating on economic relations.

Turkey also soon became aware of the limits of its capabilities to project influence in Central Asia given its limited economic capabilities, distance from the region and continued economic and political dependence of Central Asian states on Russia. Besides, the Western support for "Turkish model" also vanished before long. Both Iran and Russia

[94] See Edmund Herzig, "*Iran and the Former Soviet South*", RIIA, (1995), p. 12.
[95] See Hooman Peimani, "*Regional Security and the Future of Central Asia: The Competition of Iran, Turkey, and Russia*", (1998), p. 32.

just like the West realized that though 'Russia was too weak to re-impose its imperial domination over the region it was too powerful to be excluded.'[96]

The picture in the South Caucasus was however quite different. Turkey, Iran and Russia were geographically contiguous with the region. Numerous regional conflicts directly or indirectly affected security of all the three regional powers. The war between Azerbaijan and Armenia stands out among the other conflicts as it had implications not only for the regional security and stability but also for the domestic situation of the regional powers.[97] Iran's primary security concern in the region was raising Azerbaijani nationalism that could inspire the largest Azerbaijani minority in Iran that according to some sources constituted 25% of total Iranian population.[98] The events of December 1988 when Azerbaijanis crossed the Iranian border were still vivid in the minds of the Iranian authorities. The assumption to power in Azerbaijan of pro-Turkish nationalist Abulfaz Elçibey who stated that the Iranian state doomed and that within five-year period Azerbaijan would be united pushed Iran to support Armenia.[99]

Another Iranian concern was ever growing Western penetration into the region. The creation of the Minsk Group of the CSCE (now OCSE) in June 1992 was perceived by Iran as an attempt to monopolize the resolution of the Karabakh conflict while excluding Iran from the regional security architecture. Once the OSCE mediation process stalemated in January 1994 Iranian president Rafsanjani was quick to advise the FSU republics to distance themselves from the West, arguing that 'the US and Europe were neither willing nor able to resolve conflicts in

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[96] Brzezinski, Zbigniew, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, (1997), p. 148.
[97] See Elizabeth Fuller, "Nagorno-Karabakh: Internal Conflict Becomes International", *RFE/RL Research Report*, (13 March 1992).
[98] This figure is provided by Edmund Herzig, "*Iran and the Former Soviet South*" (1995).
[99] See Svante E. Cornell, "Undeclared War: The Nagorno-Karabakh Conflict Reconsidered", *Journal of South Asian and Middle Eastern Studies*, Vol. XX, No. 4, (Summer 1997), p. 13.

the region.'[100] Insistence of the USA on exclusion of Iran from the consortium of oil companies engaged in the oil exploration of offshore hydrocarbon fields in Caspian Sea further angered Iran.

As Russia moved to reassert its lost position in the South Caucasus it also resisted to any external attempts to mediate regional conflicts. Though, Kozyrev declared that the existence of the two parallel mediation efforts (one pursued by Russia and the other by the Minsk group) was not a competition but a mutual contribution to the "common cause", Grachev's unilateral push for the deployment of all-Russian peacekeeping force in Karabakh in 1993-1994 illustrated the opposite.[101] This became even more obvious when in response to Aliyev's proposal to Ankara in February 1994 to participate in the would-be OSCE-led peacekeeping operation in Karabakh[102], Russian representative in the Karabakh mediation process Kazimirov together with Iranian diplomat Murtazo Bang reiterated their concern over the "internationalization" of the conflict indirectly referring to Turkey's possible involvement.[103]

Iran saw Turkey as a prolonged arm of the US in the South Caucasus and tried to prevent Turkey from getting a foothold in the region by aligning itself with Russia, which also was uneasy with what was perceived as "Turkish expansion". In January 1994 Iran conceded that Russia should play the "first violin" in the conflict mediation process in the Caucasus.[104] The

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[100] See Elizabeth Fuller, "Russia, Turkey, Iran and the Karabakh Mediation Process", *RFE/RL Research Report*, Vol. 3, No. 8, (25 February 1994), p. 35.
[101] See Elizabeth Fuller, "The Karabakh Mediation Process: Grachev Versus the CSCE?", *RFE/RL Research Report*, Vol. 3, No. 23, (10 June 1994).
[102] Subsequently when political decision on OSCE-led peacekeeping force to be sent to Karabakh was taken during the OSCE Summit in Budapest in December 1994 Turkey declared that it would send 480 troops (*TDN*, 6 December 1994).
[103] Elizabeth Fuller, "Russia, Turkey, Iran …" (25 February 1994), p. 36.
[104] See Oles Smolanskiy, Ch. 8 "Russia and Transcaucasus: The Case of Nagorno-Karabakh" in Oles Smolanskiy, Alvin Rubinstain (eds.) *Regional Power Rivalries in the New Eurasia: Russia, Turkey, Iran*, (Armonk New-York-London: M.E. Sharpe, 1995), p. 212.

first signs of the formation of informal alliance between Russia and Iran were seen in April 1993 when Kozyrev held talks with Iranian leaders in Tehran to establish a "strategic partnership" aimed at securing stability in Central Asia and the South Caucasus.[105] Given that both states, although for different reasons, supported Armenia in its war with Azerbaijan and were anxious about the US and Turkish influence in the region they become increasingly aligned into what was subsequently called a virtual Moscow-Yerevan-Tehran axis whose main function was to counteract any Turkish attempts to increase its influence.[106] The decision of the Russian arms export company *Rosvoorujeniye* to sell S-300 anti-aircraft systems to Greek Cyprus in 1997 was perceived as an attempt to enlarge this anti-Turkish bloc by including Greeks and possibly Syria.[107] The then Greek defense minister Apostolos-Athanasios Tsokhatzopoulos frankly stated that 'a key purpose of this country's efforts in the Caucasus is to counter Turkey's "destabilizing impact" in the region.'[108]

Since the mid-1993 relations between Russia and Turkey became deteriorating quickly as both became profoundly suspicious about each other's intentions in the South Caucasus and Central Asia. Turkey became frustrated as it realized that there existed two self-contradictory Russian policies toward the South Caucasus, the official one pursued by the MFA and the policy pursued by the MoD. While Russian ambassador to Ankara A. Chernishev

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[105] Hooman Peimani, "*Regional Security and the Future of Central Asia…"*, (1998), p. 52.

[106] See Svante Cornell, "Geopolitics and Strategic Alignments in the Caucasus and Central Asia", *Perceptions*, Vol. IV, No. 2, (June-August 1999).

[107] See Ian O. Lesser, "Turkey and Security in the Eastern Mediterranean" Ch. 4, in Ian O. Lesser (ed) *NATO Looks South: New Challenges and New Strategies in the Mediterranean*, Report MR-1126-AF, (RAND: Santa Monica, CA, 2000).

[108] In June 1996, Greece signed a defense cooperation agreement with Armenia, a move condemned by Ankara as pointedly anti-Turkey. On June 28, 1999 Greek Defense Minister Apostolos-Athanasios Tsokhatzopoulos announced that Greece, Iran, and Armenia would soon sign a defense cooperation agreement (Source: *Global Intelligence Update*, <*www.stratfor.com*>, July 1, 1999).

acknowledged 'Turkey's legitimate interest in the South Caucasus' Grachev on its visit to Ankara in July 1993 condemned military support by unnamed third countries for Azerbaijan and warned Turkey to 'keep out of Azerbaijan'.[109]

The fact that Turkey had not common border with Russia was considered in Turkey a major strategic gain after the dissolution of the USSR.[110] That is why Turkey viewed Russia's desire to reconsider its TLE quotas in the North Caucasus envisioned by the CFE treaty and to increase its military presence in Armenia and Georgia as a major security concern.[111] The then Turkish Chief of General Staff Doğan Güreþ in mid-1994 even stated that 'Russia posed a greater threat to Turkey than it did during the Cold War.'[112] A leading Turkish newspaper summarized Turkey's perspective on the CFE treaty as follows:

> The real issue is the struggle over spheres of influence in the Caucasus. With the military power that it wants to retain Russia…[wants] to reduce Turkey's influence in the Caucasus. One cannot take up the Flank issue as separate from regional oil pipelines, military coups, civil wars, and bomb attacks.[113]

When Azerbaijani President Elçibey was ousted in June 1993, it was widely believed in Turkey that the mutiny was instigated by Russia. Insofar as pro-Turkish Elçibey was perceived as a key to retain a foothold in the South Caucasus, the ouster of Elçibey had constituted

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[109] See Elizabeth Fuller, "Turkish-Russian Relations, 1992-1994", *RFE/RL Research Report*, Vol.3, No. 18, (6 May 1994), pp. 7-8.
[110] Seyfi Tasan – director of Turkish Foreign Policy Institute (FPI) sees the South Caucasus as a "*tampon zone*" that would prevent head-on collision of Turkish and Russian military in case Russia will opt for a new expansionist policy in the South (Meeting in FPI in September 2001).
[111] See Gülnur Aybet, "The CFE Treaty: The Way Forward For Conventional Arms Control in Europe", *Perceptions*, Vol. III, No. 4 (March-May 1996).
[112] See *TDN* June 1, 1994.
[113] See Gülnur Aybet, "The CFE Treaty…" p. 34.

another severe blow to Turkey's aspirations to extend its influence in the region. The fall of Elçibey was regarded by many in Turkey as a fiasco for Turkey's policy in the FSU.[114]

The list of the "clash points" between Turkey and Russia enlarged as both states accused each other in supporting their respective PKK and Chechen separatist groups.[115] Russia was also uneasy with Turkey's upgrading of its naval power in the Black Sea.[116] The challenge posed by Turkey's activities in the FSU has been magnified in Russian eyes because as Duygu Sezer argues 'Turkey remains the only direct physical and political connecting link between the Trans-Atlantic system – which Moscow still does not entirely trust – and the Eurasian system where it has been on a strategic retreat.'[117] From this perspective, as long as Russia continues to views Turkey primarily as a prolonged arm of the US in the Caspian basin and perceives NATO as a threat, political relations between the two will be determined largely by the East-West paradigms. A Russian outright objection to Turkey's proposal to introduce new regulations for the passage of shipping through the Turkish straits in May 1994 is only one example. It was perceived in Moscow as an attempt to diminish the feasibility of the "Northern route" for Caspian oil transportation.

Conversely, any *rapprochement* between Russia and the US and NATO would most likely alter the *zero-sum* character of regional power interactions in the South Caucasus.[118] The

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[114] See Idris Bal, Cengiz Basak Bal, "The Rise and Fall of Elçibey and Turkey's Central Asian policy", *Foreign Policy*, Vol. XXII, Nos. 3-4, (1998).
[115] Turkish MFA protested when in February 1994 Russians allowed a three-day conference on "The History of Kurdistan" held in Moscow, while Russia on more than one occasion accused Turkey in using "*double standards*" in the question of fighting international terrorism (See *TDN*, May 7, 2002).
[116] See Andrei V. Zagorski, "Traditional Security Interests in the Caucasus and Central Asia: Perceptions and Realities", in Rajan Menon, Yuri E. Fedorov and Ghia Nodia (eds.) *Russia, the Caucasus and Central Asia: The 21st Century Security Environment*, (Armonk, NY and London: M.E. Sharpe, 1999), p. 66.
[117] See Duygu B. Sezer, "Turkish-Russian Relations: The Challenges of Reconciling Geopolitical Competition with Economic Partnership", *Turkish Studies*, Vol. 1, No. 1, (Spring 2000), p. 60.
[118] See Nur Bilge Criss & Serdar Guner, "Geopolitical Configurations: The Russia-Iran-Turkey Triangle", *Security Dialogue*, Vol. 30, No. 3, (September 1999), p. 368.

developments after the notorious September 11, 2001 events prove this argument. Putin's desire to take advantage of the opportunity and end costly and unnecessary rivalry with the US by giving Russia's support for the combat against international terrorism was bound to positively impact Russia's relations with Turkey on the regional scale. The first signs of such geopolitical transformation in the South Caucasus and Central Asia were not long to present themselves. On November 16, 2001 in New York, during the UN General Assembly session foreign ministers of Russia and Turkey, Igor Ivanov and Ismail Cem respectively, signed a document entitled "On Action Plan between the Russian Federation and the Republic of Turkey on Co-operation in Eurasia." The plan stresses that fundamental changes in the world have opened a new stage in interaction between Turkey and Russia. The document underlines that dialogue and cooperation in Eurasia will positively contribute to a peaceful, just and lasting settlement of disputes in this region.[119] Ambassador of the Russian Federation to Turkey Alexander Lebedev argued that such "multidimensional cooperation in so many fields would have seemed pure fantasy some 10-15 years ago."[120] Like Turkey, the new Russian administration seems to have acknowledged that the unnecessary rivalry in the areas that once were a buffer zone between these two states exacerbate the risks emanating from the regional sources of instability.[121]

Mutually beneficial economic relations between Russia and Turkey that had been dynamically developing since the 1990s were one of the reasons why geopolitical rivalry between Turkey and Russia in Eurasia did not turn into head-on confrontation but became a

[119] See Nabi Sensoy, "Turkish-Russian Relations: from Bilateral Cooperation to Multidimensional Partnership", *Insight Turkey*, Vol. 4, No. 2, (April-June 2002), p. 13.
[120] See Alexander Lebedev, "Russia and Turkey in the 21st Century: What is behind and what is Ahead", *Insight Turkey*, Vol. 4, No. 2, (April-June 2002), p. 8.
[121] See Dmitri Trenin, "Really Burying the Hatchet: Russia and Turkey Find Themselves on the Same Side", *Insight Turkey*, Vol. 4, No. 2, (April-June 2002), p. 27.

"managed competition." Russia is so far primary source of gas supply for Turkey. The spectrum of economic relations is diverse including tourism, trade, and construction activities by Turkish firms in Russia. Before crisis in Russia in August 1998 official trade accounted for $3.5 billion.[122] Turkey was also interested in Russian arms sales given that Germany (once second arms supplier after the US) refused to proceed with the arms deals until Turkey cease its campaign against Kurds.[123] The emergence of a strong class of entrepreneurs in Turkey brought to the formation of business groups that are lobbying Turkish government to downplay political difficulties while capitalize on economic relations with Russia.[124]

2.2.3. Turkey's Role in the Diversification of Security Ties of Azerbaijan and Georgia

The fall of Elçibey could be considered a turning point in Turkey's policy toward the South Caucasus. The first lesson Turkey drew from the June 1993 events in Azerbaijan was that Turkey's long-term regional interests went beyond tying its relations to a given political figure. As Süha Bölükbaþý argues it is in Turkey's interest to have friendly - but not necessarily pan-Turkic – Azerbaijani administration.[125] After involvement of the Russian military into the domestic affairs of Azerbaijan and Georgia in 1993 it became clear that it is the Russian military establishment that determined to a large extent Russian policy toward the south Caucasus. Hence, regardless of the high level of Russo-Turkish economic relations, for the military, Turkey is first of all, a NATO member and a natural part of Russian defense perimeter.[126] Evidence

[122] Existence of unofficial "*bavul ticareti*" (suitcase trade) that is difficult to estimate is not counted but from 1991-1996 is reported to account for $6-10 billion (Source: Duygu Sezer, 2000, p. 73).
[123] In March 2000 an agreement had been reached between Russia and Turkey on establishing a military cooperation commission that would implement joint projects, including the development and sale of arms to third countries. (*RFE/RL Newsline*, Vol. 4, No. 43, March 1, 2000).
[124] See Gareth Winrow, "*Turkey and the Caucasus…*", (2000), p. 38.
[125] See Suha Bolukbasi, "Ankara's Baku-Centered Transcaucasia Policy: Has it Failed", *Middle East Journal*, Vol. 51, No. 1 (Winter 1997), p. 80.
[126] See Stephen Blank, "Turkey's Strategic Engagement…" (1993).

suggests that it is the Turkish General Staff that perhaps first among the Turkish security elite realized that maintaining strong military ties with Azerbaijan and Georgia is no less important than developing harmonious economic relations with Russia for successfully pursuing Turkey's national interests in the South Caucasus.[127]

By early 1994 Turkey gave up its resentment about Aliyev's attempts to find a *modus vivendi* with Russia seeing it as an imperative for the stabilization in Azerbaijan and in the whole region. Instead, Turkey concentrated on deepening cooperation with Azerbaijan and Georgia – two states that were crucial for preventing Russia's domination in the South Caucasus. Turkey signed an agreement on Cooperation and Friendship with Azerbaijan in February 1994. Turkey also moved to develop relations with Georgia in 1994 not least because by that time it was clear the prospects of resolution of Armenian-Azerbaijani conflict were gloomy and Georgia due to its strategic location naturally became the only option for the projected transport and energy corridor from Europe over the South Caucasus to Central Asia (*TRACECA*). Ankara just like the US realized that Georgia's stability was crucial for Turkey's regional policy and for the successful implementation of the regional projects. The then Turkish Prime Minister Mesud Yilmaz during his visit to Ajaria in 1998 emphasized that 'Georgia's stability is no less important than Turkey's own stability.'[128]

Turkey's relations with Georgia and Azerbaijan moved quickly into the military sphere. Turkey did not hide that it had been training officers for Azerbaijani army.[129] Turkey provided Baku with approximately $3.5 million and $3.1 million respectively in July 1999 and May 2000

[127] For more on the role of the Military see Gareth Winrow, "*Turkey and the Caucasus…*" pp. 23-26.
[128] See Svante E. Cornell, "Turkey: Priority to Azerbaijan", p. 309.
[129] In February 1998 Deputy Chief of General Staff Gen. Cevik Bir declared that approximately 2,300 cadets from Central Asia and the Caucasus had graduated from Turkey's war colleges (See G. Winrow, 2000, p. 23)

to support the modernization of Azerbaijan's military forces.[130] Security ties with Georgia had been also expanding. In September 1997 Turkey granted Georgia two coastal guard cutters and agreed to train Georgian coast guards. In 1998 Turkey granted $5.5 million to the modernization of the Georgian Army. In the summer 1999 Turkey decided to grant additional $1.7 million and $3.7 million.[131] In 2001 Turkey has carried out a $1million reconstruction project at Marneuli airfield in Georgia.

Given that the Turkish leadership preferred to act in the South Caucasus taking into consideration NATO's concerns, it can be assumed that Turkey's initiative to develop close military and security ties with Georgia and Azerbaijan was at least partially sanctioned by NATO. The Russian-Armenian military cooperation and growing Russian pressure on Georgia forced Azerbaijan and Georgia to seek U.S. or NATO military presence in the region.[132] However, though during his trip to the South Caucasian deputy assistant Secretary of State Robert Beecroft explicitly referring to Russian military build-up acknowledged that "…there is no military balance in the region…and that…the USA would try to establish a balance…"[133] the possibility of establishment of NATO and/or US military bases in the south Caucasus is remote as this can bring to head-on confrontation with Russia. Instead, the US concentrated on the modernization of the national armies of these states. The US encouraged Azerbaijan and Georgia to cooperate with NATO within the framework of the PfP program initiated in

[130] See *RFERL Newsline*, Vol. 3, No. 143, July 26, 1999; and Vol. 4, No. 96, May 18, 2000.
[131] See *RFE/RL Newsline*, Vol. 3, No. 138, July 19, 1999, June 8, 1999.
[132] The Azerbaijani defense minister, Safar Abiyev, during his meeting with deputy commander of United States forces in Europe, General Carlton Fulford on 24 March, 2001, has called on NATO to establish bases in the Caucasus to help bring peace and stability to the region. He stressed that this would pacify nations that try to destabilize the situation. Source: "Azerbaijan wants NATO bases in Caucasus", BBS News, (Saturday, 24 March, 2001, 04:30 GMT).
[133] From the transcript of press conference of the US Ambassador to Armenia Michael C. Lennon (Yerevan, 15 April, 1999).

1994.[134] The PfP program was a blueprint for NATO's engagement in the South Caucasus and soon became one of the primary channels for building close military and security ties with Azerbaijan and Georgia. Given Turkey's proximity to the region and historical ties with the NIS, Turkey with the US backing took a leading role in promoting the PfP program in the region.[135] Turkey institutionalized defense links with these states by opening NATO-sponsored PfP training center in Ankara. Azerbaijan and Georgia sent symbolic platoons to join Turkish peacekeepers in Kosovo in 1999 to show willingness to cooperate with NATO.[136] Both states are enthusiastically participating in PfP military exercises that are carried out on the annual basis.[137]

Azerbaijan and Georgia sought diversification of their security ties and had been searching for the security mechanisms other than the CIS. Georgia, Ukraine and Azerbaijan had been exploring potential for the BSEC peacekeeping operations to counterbalance growing Russian unilateralist approaches in the regional conflict resolution.[138] In 1997 they established GUAM (later became GUUAM) group to coordinate their policies within the CIS.[139] Turkey

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[134] See Richard Sokolsky, Tanya Charlick-Paley, "NATO and the Caspian Security: A Mission Too Far?" Report MR-1074-AF (RAND: Santa Monica, CA, 1999), pp. 81-96.
[135] See Glen E. Howard, "NATO and the Caucasus: The Caspian Axis", in Stephen Blank (ed.) *NATO after Enlargement: New Challenges, New Missions, New Forces*, (Carlisle, PA: US Army War College, 1998). p. 156-173.
[136] See Gareth Winrow, "*Turkey and the Caucasus…"* (2000), p. 24.
[137] In June 2001 NATO within the framework of PfP held the first NATO/Partner full-scale field exercise in South Caucasus - Cooperative Partner-2001. For more on PfP activities exercises see URL: http://www.nato.int/pfp/pfp.htm.
[138] See Daniel A. Connelly, "Black Sea Economic Cooperation", *RFR/RL Research Report*, Vol. 3, No. 26, (July 1, 1994), p. 37.
[139] GUUAM (Georgia, Ukraine, Uzbekistan, Azerbaijan and Moldova) Group was formally founded in 1997 as a political, economic and strategic alliance designed to strengthen the independence and sovereignty of these former Soviet Union republics. For more detailed information see official web site of the GUUAM, <*www.guuam.org*>.

encouraged Georgia to join its new regional cooperation scheme the "Black Sea Naval Cooperation Task Group" (BLACKSEAFOR) created in 2001.[140]

Though there is still no formal defense pact between Turkey and Azerbaijan, for Baku Turkey is the sole effective regional counterweight against the Russia-Armenia-Iran triangle. Georgia also increasingly views Turkey as a balancing force in the region.[141] Azerbaijan and Georgia supported Turkey's regional initiatives such as the "Caucasus Stability Pact" proposed by Demirel in 2000 and participated in the "Caucasus Summit" in Trabzon held in April 29-30, 2002 to discuss such regional issues as combat with terrorism, separatism and drug trafficking, and also agreed meet on the annual basis to join efforts in seeking ways of regional stabilization. [142] This evolving "strategic partnership" between Turkey, Azerbaijan and Georgia has a potential to become an important geopolitical factor in the South Caucasus.

[140] BLACKSEAFOR was initiated by Turkey on 2 April 2001 and includes Russia, Ukraine, Georgia, Romania, Bulgaria and Turkey. The main tasks are search and rescue, mine detection, humanitarian aid, environmental protection and good will visits. The BLACKSEAFOR may also be available for the UN and OSCE-mandated operations. For more on this see <*www.blackseafor.org*>.

[141] This was clearly seen when Georgian minister of foreign affairs G. Megarishvili visited Ankara during the recent crisis in the Georgian-Russian border in 2001. Subsequently Turkish Foreign Minister Ismail Cem, speaking in Brussels on 25 October 2001 stated that "The Caucasus should not be treated as the backyard of any neighboring state." *RFE/RL Caucasus Report*, Vol. 4, No, 36, (29 October 2001).

[142] See *RFE/RL Newsline*, May 2, 2002.

2.3. Baku-Ceyhan Pipeline: Diversification of Energy Supplies or Dubious Battle for the Sphere of Influence?

2.3.1. Caspian Basin Energy Availability

Hydrocarbon reserves of the Caspian basin are perhaps the last underdeveloped energy reserves in the world. It is not surprise, that after the demise of the SU the region quickly attracted attention of leading world oil giants such as Chevron, Amoco, Exxon, BP just to name a few. The full utilization of the region's energy resources however is a function of several difficult geo-political and geo-economic issues, including an adequate assessment of the Caspian oil and gas potentials, the legal status of the Caspian Sea and the construction of the pipelines.[143]

Estimates of the overall reserves of the Caspian basin and the scale of the future oil and gas production have varied widely over the past decade. According to International Energy Agency (IEA) estimates of proven oil reserves in the region vary between 15-40 billion barrels, with about 70-150 billion barrels of additional reserves considered possible.[144] Though the Caspian is unlikely to become "another Middle East", as was predicted early in the 1990s, its resources are expected to be of the same magnitude as those of the North Sea.[145] Natural gas reserves in the Caspian Sea region are even larger than the region's oil reserves. Overall, proven natural gas reserves in the Caspian region are estimated at 177-182 Tcf. Possible

[143] See Gawdat Bahgat, "Oil Security of the Turn of the Century", *International Relations*, Vol. 14, no. 6, (December 1999), p. 45.
[144] From the official IEA Website, <http://www.iea.org/nmc1/caspian/priddle/index.htm>, Accessed: May 14, 2002.
[145] For comparison proven reserves of the North Sea are 17 billion barrels and that of the USA 22 billion barrels.

natural gas reserves could yield another 293 trillion cubic feet (Tcf) of natural gas if proven.[146] Given that the region is still poorly explored the estimates may be much higher.

2.3.2. Caspian Energy: A Contribution to the World Energy Security?

After the oil shocks of 1973 (in the aftermath of Arab-Israeli war in 1973); 1979 (Iranian Revolution); and latest in 1990 (Iraqi invasion of Kuwait), the maintenance of energy security has become a major objective for all major powers.[147] Some observers claim that Caspian oil supplies constitute only 3-4 % of global oil requirements and coupled with the high costs of oil extraction[148] in the Caspian basin they are not significant for promoting energy security.[149] However, the question is not that the Caspian oil may sometime in the future totally substitute for Persian Gulf supplies. The globalization of oil markets mean that an oil-price rise somewhere in Asia for example will bring to a similar price hike everywhere.[150] Accordingly, oil security should be understood less as an attempt to achieve a state of self-sufficiency by any particular country and more in terms of the integrated world oil market.[151] Given growing vulnerability of the US and Europe to imported oil the primary preoccupation of these states is to keep world oil prices stable by maintaining an uninterrupted flow of oil to the world markets.[152] As Brenda Shaffer[153] argues, the addition of Caspian oil could weaken OPEC

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[146] Figures are taken from the official website of the US Department of Energy, <http://www.eia.doe.gov/emeu/cabs/caspian.html>, Accessed: May 14, 2002.
[147] The term energy security is referred to the diversification of energy supplies by developing new and existing energy sources as well as maintaining unimpeded flow of oil to the world markets.
[148] Landlocked character of the Caspian basin requires construction of infrastructure to transport oil to markets, which makes overall developing and transportation costs to fluctuate between $70-100 billion (source: Cambridge Energy Research Associates, 1998).
[149] See Amy Myers Jaffe and Robert A. Manning, "The Myth of the Caspian 'Great Game': The Real Geopolitics of Energy", *Survival*, Vol. 40, No. 4, (Winter 1998-99), p. 119.
[150] Ibid., p. 123.
[151] See Gawdat Bahgat, "Oil Security in the New Millennium: Geo-Economy vs. Geo-Strategy", *Strategic Review*, (Fall 1998), p. 24.
[152] See Major Adrian W. Burke, USMC, "A US Regional Strategy for the Caspian Sea Basin", *Strategic Review*, (Fall 1999), p. 18.

monopoly, providing greater leverage over the pricing policies of Saudi Arabia and other OPEC countries, ultimately contributing to lower world oil prices.[154]

The Caspian oil is no doubt a contribution to the world energy security, but there are several other factors that make Caspian oil attractive to the Western oil companies and their governments. As long as the oil is being used as a weapon in international politics[155] the US and other industrialized countries will try to avoid over-dependence on one single regional source of oil. Thus, they will be interested in the oil suppliers other than the Middle Eastern countries even if they are not comparable to Middle Eastern volumes. In other words, diversification of energy supplies is increasingly viewed not purely as a matter of energy security but also as a national security issue.[156] As Glen Howard argues:

> Energy diversification away from the Middle East has extreme importance for the energy security needs of NATO allies due to its ability to insulate Europe, as well as the US from future oil shocks caused by instability in the Persian Gulf region.[157]

Another factor that makes the Caspian oil indispensable for the energy security is expected decline of North Sea oil output after it reaches its peak in 2006. Given that by that time the Caspian oil will begin to make a significant difference, the Western countries (including countries of Eastern Europe) will naturally want the Caspian oil to reach European markets. It should be also noted that the attractiveness of the Caspian oil to international companies is not

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[153] Research Director of the Caspian Studies Program at Harvard's Kennedy School of Government.
[154] See Brenda Shaffer, "The US Policy toward the Caspian Region: Recommendations for Bush Administration", Cambridge, Caspian Studies Program, (July 2001), <http://ksgnotes1.harvard.edu/BCSIA/SDI.nsf/web/Caspian>.
[155] One of the recent examples is the decision of Saddam Hussein to suspend exports of Iraqi oil to protest Israeli incursions into Palestinians territory in April 2002.
[156] See Remarks of President George Bush to the Capital City Partnership, St. Paul, Minnesota, May 17, 2001, <http://www.whitehouse.gov/news/releases/2001/05/20010517-2.html>, Accessed: May 17, 2002.
[157] See Glen E. Howard, "NATO and the Caucasus…", (1998) p. 156.

so much a function of its absolute size as of its availability. In other words, most of the Caspian oil under the production-sharing agreements (PSA) will be available for export.[158] Thus, the development of the Caspian basin is more attractive for Western oil companies in comparison with the Middle Eastern states, because the process of opening the upstream oil industry[159] in the Gulf is still hesitant and has a long way to go.[160] Besides, continuing ILSA sanctions[161] issued by the US government in 1996 prevent major US oil giants to develop new lucrative projects in Iran.

2.3.3. Baku-Tbilisi-Ceyhan Pipeline: Geo-Economics vs. Geo-Strategy

Since the demise of the Soviet Union the Caspian oil again like in 1800s and 1900s became a source of contention between external powers. Caspian energy was regarded by both its owners and external powers as a key strategic asset that was to determine to a large extent the shape of the Caspian political and economic landscape for the years to come. Azerbaijan was interested in giving the US companies a vital stake in the oil deals, believing that by securing an active presence by American corporate interests, it could leverage a larger US role in preventing renewed Russian attempts at domination over the region. In as much as the oil and gas became a powerful geo-strategic key for the newly independent Caspian states offering an opportunity to strengthen their independence and providing investments needed for

[158] See John Roberts, Ch. 3, "Energy Reserves, Pipeline Routes and the Legal Regime in the Caspian Sea", in Gennady Shufrin (ed.) *The Security of the Caspian Sea Region*, SIPRI, (2001), p. 35
[159] That is opening oil industry to foreign investment while reducing state ownership.
[160] See Gawdat Bahgat, "Oil Security…", (1999), p. 47.
[161] Iran and Libya Sanctions Act (ILSA) was adopted by the USA in 1996 and prohibits US companies to invest into the Petroleum sector of these states.

economic prosperity, for the powerful regional and external states Caspian hydrocarbons became an important instrument in maintaining their political influence over the region.[162]

Indeed, it is difficult to separate political developments in the region from the oil development. The ouster of Azerbaijani president Elçibey in June 1993 was at least partially connected to oil, as he was 'coincidentally' toppled down a few weeks before he was to sign oil concessions agreements with international consortium in London.[163] In April 1994, when new Azerbaijani government of Heydar Aliyev resumed negotiations with Western oil companies with the ultimate aim to sign an agreement Russian MFA sent a *demarche* to London stating that:

> The Caspian Sea…represents an object of joint use…[and] all issues or activities including resource development have to be resolved with the participation of all the Caspian countries…[it concludes that] any steps by whichever Caspian state aimed at acquiring any kind of advantages with regard to the areas and resources…cannot be recognized…[and] any unilateral actions are devoid of a legal status.[164]

This demarche was in fact a prologue to the long-standing dispute between Caspian littoral states over the legal status of the Caspian Sea that in fact encapsulates the nature of the intra-regional competition. Azerbaijan in September 1994 signed a "Contract of the Century" with international consortium of foreign companies to develop Azeri, Chirag, Guneshli (ACG) offshore oilfields that were located in its sector of the Caspian Sea based upon Soviet-era divisions. Iran and Russia from the outset took unwavering stance claiming that the sea

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[162] See Rosemarie Forsythe, "The Politics of Oil in the Caucasus and Central Asia", ADELPHI Paper, No. 300, (London: IISS, 1996).
[163] See Thomas Goltz, "Letter from Eurasia: The Hidden Russian Hand", *Foreign Policy*, (Autumn 1993), pp. 92-116.
[164] See Stephen Blank, "Russia and Europe in the Caucasus", *European Security*, Vol. 4, No. 4, (Winter 1995), p. 623.

resources should be used in common, referring to the treaties signed in 1921 and 1940 between Iran and the former Soviet Union. Both states insisted that all geophysical works in the Caspian should be suspended or at least all Caspian states should approve any offshore oil developments until the legal status of the Caspian Sea is agreed upon by all of the littoral countries. Iranian and Russian authorities viewed exploration of Caspian reserves by Western oil companies as a pretext to get a foothold in the Caspian basin for purposes dictated by geopolitical and military-strategic designs.[165] Iranian and Russian reference to the Soviet-era treaties of 1921 and 1941 indicated that they wished to preserve the *status quo* in the Caspian Sea.

However, as other littoral states and especially Azerbaijan went on to develop hydrocarbons in their respective sectors, new Putin's administration in Moscow modified Russia's Caspian policy and tried to advance its interests by signing separate agreements with Kazakhstan (2001) and Azerbaijan (2002) on the basis of "common water, divided sea floor,"[166] while at the same time playing on the disputes between littoral states over overlapping oil fields. Iran while staunchly insisting on the principle of "condominium"[167] proposed also that the Caspian floor and water basin should be divided into equal shares (20% each). Though it is not yet clear how many summits of Caspian littoral states[168] will be held in order to settle the

[165] See Vitaliy Naumkin, "Russia's National Security Interests in the Caspian Region", in Gennady Chufrin (ed.) *The Security of the Caspian Sea Region*, (SIPRI, Oxford Univ. Press 2001), p. 124.
[166] The logic of this principle is that apart from the joint use of profitable bio-resources of the Caspian Sea, Russian vessels can freely navigate in the national sectors of other states, which is important for sea line communications with other littoral states. But more importantly, these agreements do not prohibit Russia from having NAVY in the Caspian Sea and latest Russia's declarations to carry out military exercises of its NAVY in the central Caspian in the summer 2002, indicate that Moscow will want to use its military presence in the Caspian as a political leverage.
[167] That is development of oil fields jointly with all littoral states.
[168] Though the summit of the Caspian littoral states was held at last in May 2002 in Ashgabat after being postponed twice in April 2001, and October 2001.

issue of the Caspian status, the Iran-Azerbaijan confrontation in the Caspian in July 2001[169] highlighted the stakes in the ongoing disagreement between the littoral states. [170]

Much of the competition for influence over the Caspian region has been conducted through the pipeline projects (See Map 5).[171] Zbigniev Brzezinski explains the centrality of the pipeline issue in the future of the Caspian basin by looking into the issue through the broad context of access to this landlocked region. He argues that 'whoever either controls or dominates access to the region is the one most likely to win the geopolitical and economic prize.'[172] Ariel Cohen in a similar way argues that the 19th century 'Great Game' is being replayed in a new geopolitical context, with oil and pipelines replacing the railroads as the main means of extending political influence.[173]

The land-locked geographical location means that Azerbaijan must rely on neighboring states to transport its oil to world markets. Though there are many options from which to choose, the pipelines ultimately can go only in three directions: to the North via Russia, to the South across Iran and to the West via Georgia on to the Turkish Mediterranean port of Ceyhan.[174] While Russia had been exerting strong pressure on Baku to support the "Northern route" the Clinton Administration pursued public and private diplomacy to persuade the AIOC and the Azerbaijani government to endorse the 'multiple pipeline strategy' that would prevent

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[169] In June 22, 2001 Iranian military gunboats confronted an Azerbaijani research vessel in the Caspian and ordered the ship to vacate the area.
[170] For updated information on the debate over the Caspian Sea status (as of February 2002) see US Department of Energy web site, <http://www.eia.doe.gov/emeu/cabs/casplaw.html>.
[171] Nur Bilge Criss and Serdar Guner, "Geopolitical Configurations: The Russia-Turkey-Iran Triangle", *Security Dialogue*, Vol. 30, No. 3, (September 1999), p. 365.
[172] Brzezinski, Zbigniew, "*The Grand Chessboard…*", (1997), p. 140.
[173] See Ariel Cohen, "The 'New Great Game': Pipeline Politics in Eurasia," <http://ourworld.compuserve.com/homepages/usazerb/213.htm>, Accessed: 18 May, 2002.
[174] Though there are also other pipeline options to transport oil Eastward to China and to the Indian Ocean via Afghanistan or Pakistan, the Azerbaijan International Operating Company (AIOC) looked carefully only through these three options.

domination of the oil transportation by any single country.[175] Subsequently in October 1995 a decision was made to transport so-called "early oil" via two pipelines running from Baku to the Russian Black Sea terminal Novorossiisk and to Georgian port Supsa.[176] However, these pipelines provide only mid-term solution to the oil transportation, because of their limited capacity, consisting of a mere 500,000 bpd and cannot handle so-called "big oil", that is estimated to rise to 3,500,000 bpd by 2010 and 5,000,000 by 2020.[177]

The major question is which way will go the long-term Main Export Pipeline (MEP). Though Russia urged a construction of MEP that would run alongside the existing Baku-Novorossiisk pipeline, it did not draw much support from the AIOC despite its comparative low cost. The AIOC shareholders due to the US 'dual containment' policy rejected also the "Southern route" through Iran.[178] But even if passed through Iran to Persian Gulf, the Caspian oil would not represent as much of a diversification of global supplies, as it may become subject to the same constrains as much Middle Eastern crude if flows were disrupted through the strait of Hormuz for whatever reason.[179]

Though pipeline economics requires that the decision on the transportation route be made on purely commercial viability grounds, political side of the decision of the Caspian pipeline routes had always been present. Jan Kalicki in 1998 clearly stated that though economical feasibility is important the US would support MEP that promotes such political and

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[175] Jofi Joseph "Pipeline Diplomacy: The Clinton Administration's Fight for Baku-Ceyhan", Case 1/99, Woodrow Wilson School of Public and International Affairs (WWS), Princeton University, (August 1999), <http://www.wws.princeton.edu/~cases/papers/pipeline.html>, Accessed: 21.05.2002.

[176] Exports through Baku-Novorossiisk pipeline began in late 1997 and the Baku-Supsa pipeline became operational in April 1999, (In April 2000 a spur was completed that connected Makhachkala with Novorossiisk terminal bypassing Chechnya).

[177] Figures are taken from John Roberts, "Energy Reserves, Pipeline Routes and the Legal Regime in the Caspian Sea", (2001), p. 33.

strategic goals as strengthening independence, sovereignty of regional states as well as their democratic and free-market development, promoting regional cooperation and conflict resolution, and diversifying the sources of world energy.[180]

While Russia pushed the Caspian Pipeline Consortium (CPC) to start construction of Aturau-Novorossiisk pipeline that would bring Central Asian oil to the Black Sea, the US supported the Baku-Tbilisi-Ceyhan pipeline (BTC) considering it to be corresponding to its strategic goals. Azerbaijan also preferred to have direct access to the Mediterranean Sea that would pass through friendly Georgia and Turkey thus circumventing Russia and Iran.[181] Turkey, in its turn, hoped for playing a major role in the South Caucasus and Central Asia on the construction of this and other pipelines, which it sees as the linchpin of its Caspian strategy.[182] In Turkey the BTC pipeline is seen as a backbone of the East-West energy corridor that would make Turkey "Energy Bridge" of Eurasia.[183] Apart from supporting the BTC pipeline, Turkey has signed numerous gas import deals with a variety of countries, including Azerbaijan, Egypt, Iran, Iraq, Russia, and Turkmenistan. Multiple gas pipeline projects are currently in the stage of detailed engineering. Although many analysts are highly skeptical of Turkey's rapid gas demand

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[178] Iran-Libya Sanctions Act (ILSA) adopted by the US Administration in 1996 prohibits any US company to invest into Iranian and Libyan economies more than $40 million.

[179] See Mehmet Ogutcu, "Caspian Energy 'Poker Game' and Turkey: Prospects for a new Approach", paper presented to conference on International Energy Security and Regional Instability: Strategic Perspectives of Globalization, Geopolitics and Regional Power Balance in 21st Century, 6-7 November 2000, Berlin.

[180] Jan H. Kalicki, "US Policy in the Caspian: Pipelines, Partnership and Prosperity", *Middle Eastern Policy*, Vol. VII, No. 2, (October 1998), p. 146.

[181] Starting from Baku and ending in Ceyhan, the pipeline would run for 468 kilometres through Azerbaijan, 225 kilometres through Georgia and 1,037 kilometres through Turkey.

[182] F Stephen Larrabee, "Turkish Foreign and Security Policy: New Dimensions and New Challenges", in Zaman Khalilzad, Ian O. Lesser, F. Stephen Larrabee (eds.) *The Future of Turkish-Western Relations: Toward a Strategic Plan*, RAND Report MR-1241-SRF, (Santa Monica, CA, 2000), p. 10. See also Temel Iskit, "Turkey: A New Actor in the Field of Energy Politics?" *Perceptions*, Vol. III, No. 4, (March –May 1996).

[183] It was the main reason why Turkey made major concessions by agreeing to finance the cost of the construction that will exceed $1,4 billion, and significantly relaxed the tariff structure over its portion of the pipeline.

growth forecasts, in part over Turkey's financial ability to construct gas-fired power plants, as well as new pipelines quickly enough, the Turkish government argues that Turkey is 90% dependent on imported energy and the Caspian oil and gas is essential part of Turkey's plans for diversification of its energy supplies that are supposed to meet Turkey's growing energy demands.[184]Besides, strategists of Turkish BOTAS – a company, responsible for pipelines construction in Turkey, openly argue that the long-term goal of the diversification of the oil and especially gas supplies is to re-export it to the European markets, thus making Turkey a cornerstone of the "Eurasian energy corridor."[185]

The Baku-Ceyhan pipeline clearly has many geo-economic advantages vis-à-vis other routes. It is economically feasible as it ends up in a modern deepwater tanker loading and storage facility at Ceyhan and requires no additional construction. Ceyhan's location on the Mediterranean coast allows low international shipping rates. Besides, the BTC avoids Turkish straits and future oil shipments are thus not subject to physical restrictions imposed on vessels passing through the straits.[186] However, despite clear strategic importance and geographic advantages the commercial viability of the BTC pipeline is dependent on the 'throughput guarantees' of available oil and financing of the project.[187] The AIOC developed a strategy that would keep transit tariffs in the range of $2.50 to $2.70 a barrel to attract the volumes of oil

[184] For a discussion of Turkey's interests see Laurent Ruseckas, "Turkey and Eurasia: Opportunities and Risks in the Caspian Pipeline Derby", *Journal of International Affairs*, Vol. 54, No. 1, (Fall 2000).
[185] Based on the paper of Mr. H. Emre Engur, deputy-director of BOTA[a] Department of Foreign Affairs and Strategy "Natural Gas Pipeline Projects: Towards an East-West Energy Corridor", presented at the METU 1st International Conference on International Relations, held 3-5 July, 2002, in Ankara-Turkey.
[186] See Carolyn Miles, "The Caspian Pipeline Debate Continues: Why Not Iran?" *Journal of International Affairs*, Vol. 53, No. 1, (Fall 1999), p. 336.
[187] According to the US Department of Energy the cost of the construction is estimated to be $2,8-2,9 billion. See Bülent Gökay, "Caspian Uncertainties:Regional Rivalries And Pipelines", *Perceptions*, Vol. III, No. 1, (March-May 1998).

needed to make the project commercial[188] until Azerbaijan will be able to produce expected 1,2 mb/d (60 millions tones per year) by 2010.[189] The major challenge to the BTC pipeline was however financing of the project. Though the US administration did not commit itself by direct investments arguing that the pipeline is commercial and thus private-sector financing is needed, it lobbied quite effectively private and international investment agencies to provide needed financial resources. In May 1998 three trade-financing agencies – EximBank, Overseas Private Investment Corporation (OPIC) and the Trade and Development Agency (TDA) held a conference in Istanbul to underline the US interest in providing effective financing support to the East-West pipeline projects.[190] The US administration opened Ankara-based Caspian Finance Center to coordinate efforts of these export finance agencies in the region. The World Bank-sponsored feasibility study in 1998 recommended BTC route, while BP-Amoco (the leading companies in AIOC) in October 1999 referred to the BTC pipeline as a "strategic project" that could deliver oil to European markets.[191] This was followed in November 1999 by the signing of Istanbul declaration on the sidelines of the OSCE summit by the presidents of Azerbaijan, Georgia and Turkey in the presence of the US president Clinton.[192] Moreover, BP also announced that Baku-Erzurum gas pipeline from the Shakh-Deniz gas field will be built along the Baku-Ceyhan pipeline that would reduce the costs of the latter to $1.3 billion and

[188] According to David Woodward AIOC President, it would take 6 billion barrels of oil committed to the pipeline to make it a commercial proposition. (Source: Azerbaijan International Winter 1999 (7.4).
[189] In March 2000 Azerbaijan agreed to give up its transit fees to Georgia to persuade Georgian government to accept these tariffs. See Michael Lelyveld, "Georgia/Azerbaijan: More Questions Rose About Baku-Ceyhan Pipeline", *RFE/RL Newsline*, (27 March 2000).
[190] Jan H. Kalicki, "US Policy in the Caspian…", p. 146.
[191] See Gareth Winrow, "Turkey and the Caucasus…", (2000), p. 44.
[192] This inter-governmental agreement defines the legal and commercial terms that would apply to the Main Export Pipeline Company (MEPCO) that would build such a pipeline.

strengthen the case of building of the BTC pipeline.[193] In May 2001 a $ 30 million worth preliminary engineering study, commissioned by BP-Amoco confirmed the feasibility of the project and led to an additional $ 120 million in detailed engineering studies. The fact that Chevron company and Total Final Elf (TFE) group, which previously opposed the project, declared their willingness to join the consortium that would construct the pipeline, indicate that the commercial viability of the project is no more questioned.[194] The construction phase of the BTC is expected to start shortly after creation by the states-participants in the BTC project of a BTC Co company on August 4, 2002, that would be responsible for the construction and managing of the Baku-Tbilisi-Ceyhan pipeline.[195]

[193] Gareth Wintrow, "*Turkey and the Caucasus…*", p. 50.
[194] Michael Lelyveld, "Azerbaijan: Baku-Ceyhan Pipeline Gets A Boost", *RFE/RL Newsline*, (13 February2001).
[195] At present the shares of the states shareholders in the BTC project is following: BP 38,21%; SOCAR 25%; Statoil 9, 58%; Unocal 8,90%; TPAO 7,55%; Eni 5%; TotalFina-Elf (TFE) 5%; Itochu 3,40%; Amerada Hess 2,36%;

CHAPTER III

THE PROSPECTS OF A STABILITY PACT FOR THE SOUTH CAUCASUS

3.1. Obstacles to Stability in the South Caucasus

Since the demise of the Soviet Union the primary preoccupation of Azerbaijan, Georgia and Armenia was searching for the mechanisms that would maintain their security and stability. Though all regional countries agreed that security and stability of each state depended to a large extent on the security in the whole region, they have failed however to create cooperative regional security framework. The reason for this failure as was mentioned in previous chapters were numerous security problems in the South Caucasus.

As was previously mentioned instability in the South Caucasus has both internal and external dimension. Such domestic problems as weak state institutions, lack of political culture, corruption in the state structures, organized crime, social problems and economic hardships are potentially threatening the fragile domestic stability in South Caucasian states. The principal source of instability emanates, however, from the unresolved armed conflicts in Karabakh, Abkhazia and South Ossetia. Apart from the huge humanitarian crisis that these conflicts created[1], these conflicts led to the numerous security problems that beset the long-term stability in the region.

It should be noted that the regional security problems are intermingled with each other. Few would doubt for example in Georgia, Azerbaijan and elsewhere that the situation of "no peace, no war" and continuing threat of separatism in these countries are serious obstacles on

[1] As a result of Armenian aggression against Azerbaijan approximately 1 in 8 Azerbaijanis became refugees.

the way of domestic stability and inevitably impede socio-economic development and democratization process in these countries.[2] At the same time, internal sources of instability contributed to the sense of insecurity among ethnic groups and struggle for benefits/resources that in turn ignited ethnic hatred among different communities and lead to the inter-national conflicts.[3]

Numerous regional conflicts led to the emergence of lawless quasi-independent territories uncontrollable by the central governments. This increased the prospects of the spread of such unconventional threats to security and stability in the region as organized criminal networks, drug trafficking, and illegal arms sales. Moreover these secessionist territories became in effect heaven for terrorist groups.[4] Azerbaijani defense minister is reported to say for example that occupied Azerbaijani territories became "a place where Armenian and Kurdish terrorists and saboteurs are being trained."[5]

Conflicting states and communities have developed different security perceptions. The lack of regional institutional arrangements favoring associative forms of security led to the attempts to address the security threats through balance-of-power policies. All regional actors have tried to revise the existing forms of distribution of power through alliances with regional and non-regional powers.[6] While, Azerbaijan and Georgia fearing regional separatism and

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[2] See Stuart Parrott, "Caucasus: Conflicts Threaten Democracy", *RFE/RL Newsline*, (14 November 1997).
[3] See George Tarkhan-Mouravi, "A 'Realistic' Approach to Regional Security in the South Caucasus", OSI International Policy Fellowship Program policy paper, (2001), <http://www.policy.hu~mouravi/IPF%20Policy%20Paper%2002.html>, Accessed: May 29, 2002.
[4] See Charles Fairbanks, "Bases of Debate: America in Central Asia, Being There", *The National Interest*, No. 58, (Summer 2002), pp. 45-47.
[5] Quoted in Elkhan Nuriyev, "The Ongoing Geopolitical Game in the Caucasus and the Caspian Basin: Towards War or Peace?", (1999), <http://cns.miis.edu/cres/nuriyev.htm>, Accessed: December 5, 2000.
[6] See Bruno Coppieters, "A Regional Security System for the Caucasus", Brussels: Free University, (1996), <http://poli.vub.ac.be/publi/crs/eng/Vol5/coppetiers.htm#1>, Accessed: February 24, 2002.

Russia's hegemonic aspirations, were pursuing policy of geopolitical pluralism fostering external security ties with the Western countries, Armenia, in order to gain and preserve military superiority over Azerbaijan, needed so desperately to retain control over occupied Azerbaijani territory, was interested in increasing Russian military presence on its soil. These conflicting security interests eventually increased the possibility of emerging of informal alliances along North-South and East-West axis, which resulted in excessive militarization[7] and polarization of the region.

Involvement of the external powers played double role in the regional affairs. On the one hand, the geopolitical pluralism became an effective counterweight against Russia's attempts to consolidate its predominant position in the region. On the other hand, Russian political circles viewed the growing involvement of NATO countries, and the USA and Turkey in particular, through the Cold War paradigms and used regional conflicts and domestic instability in the South Caucasian states as an instrument to prevent unwanted external penetration. Thus, involvement of external powers directly or indirectly supplemented internal sources of instability and increased zero-sum character of the regional disputes and rivalries. This "Great Power" rivalry formed in effect an external dimension of the regional instability.

It is also noteworthy, that the distinction between external and internal security threats is blurred in today's strategic thinking in the South Caucasian countries.[8] Meddling of some external powers into the domestic affairs of South Caucasian states by manipulating regional

[7] See Mark Eaton, Ch. 5, "Major Trends in Military Expenditure and Arms Acquisitions by the States of the Caspian Region" in Gennady Chufrin (ed.) *The Security of the Caspian Sea Region*, (SIPRI, Oxford University Press, 2001), pp. 88-97.

[8] See David Darchiashvili, Ch.4 "Trends of Strategic Thinking in Georgia: Achievements, Problems and Prospects" in Gary K. Bertch, Cassady Craft, Scott A. Jones, Michael Beck (eds.) *Crossroads and Conflict: Security and Foreign Policy in the Caucasus and Central Asia*, (N.Y. – London: Routledge, 2000) p. 68.

conflicts is seen as the main threat to their national security and internal stability. In other words, there is a clear linkage between the internal stability of South Caucasian states and their external security environment.[9]

Predominance of security issues in regional politics led to the gradual securitization of economic and political issues,[10] complicated the process of resolution of regional disputes and led to further regional fragmentation.[11] The conflicts became deadlocked because leaders of some regional states and secessionist communities have become in effect hostages of their own previous policies that were aimed at maximizing power and building their political careers by exploiting nationalist and secessionist slogans. As Bruno Coppieters argues, 'it is not so easy to accept the compromise solution when the basic interests or even survival of the ethnic community or the state is declared to be at stake.'[12] In these circumstances, any unfavorable change of *status quo* in the conflicts could undermine positions of the political elites. This was clearly illustrated by the ouster of Armenian president Levon Ter-Petrossian in February 1998, when he showed readiness to accept the compromise solution in the Karabakh conflict.[13] Some observers also believed that the killings[14] in the Armenian Parliament on October 27, 1999 were connected with the ongoing Karabakh peace talks and were deliberately intended to

[9] See Reiner Weichhardt (ed.) "Economic Developments and Reforms in Cooperation Partner Countries: The Link between Economy, Security and Stability", NATO Colloquium transcript, (1999), <http://www.nato.int/docu/colloq/1999/econ-col99.pdf>, Accessed: June 3, 2002.
[10] See Bruno Coppieters, "A Regional Security System…" (1996).
[11] See Alexander Rondeli, "The Forces of Fragmentation in the Caucasus", *Insight Turkey*, Vol. 2, No. 3, (July-September 2000).
[12] See Bruno Coppieters, "A Regional Security System…" (1996).
[13] See Edward W. Walker, "Armenia's 'Constitutional Coup' and the Karabakh Conflict," <http://ist-socrates.berkeley.edu/~bsp/caucasus/articles/walker_1998-armenia.pdf>, Accessed: 2 June 2002, Originally appeared in *Analysis of Current Events*, Vol. 10, No. 3-4, (March/April 1998).
[14] As a result of the terrorist attack by the five gunmen led by Nairi Hunanian Prime Minister Vazgen Sargsian, parliamentary speaker Karen Demirchian, one government minister and five other deputies were assassinated.

destabilize the political situation inside Armenia, and thwart the signing at the 18-19 November OSCE summit in Istanbul of a formal commitment by the Armenian and Azerbaijani Presidents to pursue their efforts to reach a Karabakh peace agreement.[15]

As aptly observed one analyst peace negotiations processes in the South Caucasus became only means to demonstrate good intentions of the leaderships to solve the conflicts, while there was no real will to seek compromise.[16] This situation is not unique to the Armenian-Azerbaijani Karabakh conflict. Similar situation is in the Georgian-Abkhaz conflict. The most recent Georgian peace proposal of February 2001 entitled the "Basic Principles for the Distribution of Competences between Tbilisi and Sukhumi" was again rejected by the Abkhaz leadership, despite of the UN Security Council endorsement of this document. Most independent analysts agree, however, that this situation of "frozen instability" cannot endure indefinitely and that, sooner or later it may lead to another armed confrontation. On many occasions the president of Azerbaijan Heydar Aliev warned, for example, that the patience of the Azerbaijani people "has been exhausted," and that popular sentiment increasingly favors a military solution of the conflict.

3.2. The "Stability Pact" Model: A long-Sought-After Regional Security Framework?

As was mentioned in the first chapter of the present study, the Caucasus is a security complex in a sense that numerous security problems are interrelated with each other and security of one state of the region is linked with the security of all other countries. For example in February 1996 Georgian president Shevardnadze stated that the Caucasus was the zone of

[15] See *RFE/RL Caucasus Report*, Vol. 2, No. 43, (October 28, 1999).
[16] See George Tarkhan-Mouravi, "A 'Realistic' Approach to Regional Security…" (2001), p. 7.

life interests for Georgia and that stabilization of the political situation in the region, creation of strong, durable guarantees of peace, was of utmost importance for safeguarding national security and prosperity.[17]

The leaders of Azerbaijan and Georgia have long ago acknowledged that the regional approach is essential to meet the challenges of the regional security problems.[18] In 1995 President Shevardnadze conceived the "*Peaceful Caucasus*" initiative co-authored by President Aliyev. This initiative emphasized the common interest of the three countries of the Southern Caucasus states in regional cooperation. In February 1996 they issued a joint declaration "On Peace, Security and Cooperation in the Caucasus Region." They participated in the Kislovotsk Summit of May 31, 1997, initiated by Russia, which ended with the adoption of the statement "On Mutual Understanding, Peace and Inter-Ethnic Accord in the Caucasus." These initiatives failed however to present any concrete mechanisms to breakthrough the deadlock situation in the settlement of the regional conflicts mainly due to the reasons discussed above and did not go beyond political declarations.

The new impetus to the search for the regional security mechanisms was given by the "Balkan Stability Pact" of 1999, which was in fact a first attempt by the international community to replace the previous, reactive crisis intervention policy in South Eastern Europe with a comprehensive, long-term conflict prevention strategy.[19] Since then proposals are in circulation for a "Stability Pact for the Caucasus" (Hereafter CSP). The first proposal of such a pact came

[17] Quoted in George Tarkhan-Mouravi, "A 'Realistic' Approach to Regional Security…" (2001), p. 8.
[18] See Address of the President of Georgia Eduard Shevardnadze to the Conference "Georgia and its Partners: Directions for the New Millennium", Tbilisi, October 5, 2000, <http://www.georgiaemb.org/Address%20of%20the%20President.htm>, Accessed: June 8, 2002.
[19] For more information on the Pact see official web site of the Pact, <http://www.stabilitypact.org/>.

from the Turkish president Demirel on the sidelines of the OSCE summit in November 1999 in Istanbul. Demirel repeated this proposal in January 2000, during his official visit to Georgia. In February 2000 he forwarded a letter to 12 leaders of world countries, in which he warned that the problems of the Caucasus could negatively affect the stability and security in the whole Euro-Atlantic region.[20] He is quoted to say that:

> Stability and peace in the Caucasus should be under European guarantees because this is important not only for Georgia and other countries of this region, but for their neighbors.[21]

Though at first it may seem that an attempt is being made to simply copy the "Balkan Stability Pact" model and to apply it in the South Caucasus, the aim is far from this however. Though, there are indeed some obvious similarities between the Balkans and the Caucasus such as multi-ethnic "Balkanization", inter-ethnic conflicts, and territorial disputes, the circumstances are different.[22] However, there is one important common feature that deserves special attention – external dimension of the regional conflicts. It is for this reason that Zbigniew Brzeziski includes the Caucasus into what he calls the "Eurasian Balkans"(See Map 6) arguing that:

> Eurasian Balkans…are truly reminiscent of the older, more familiar Balkans of South Eastern Europe: not only are its political entities unstable, but they tempt and invite the intrusion of more powerful neighbors, each of whom is determined to oppose the region's domination by another.[23]

The leaders of the South Caucasian states welcomed this proposal. From the 1st of September of 2000, Georgian president Shevardnadze appointed an Ambassador at Large at

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[20] See Gareth Winrow, "*Turkey and the Caucasus...*" (2000), p. 59.
[21] See *RFE/RL Caucasus Report*, Vol. 3, No. 3, (January 21, 2000).
[22] See Michael Emerson, "A Stability Pact for the Caucasus", *Insight Turkey*, Vol. 2, No. 3, (July-September 2000), p. 23.
[23] See Zbigniew Brzezinski, *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*, (N.Y.: Basic Books, 1997), p. 123-124.

the Ministry of Foreign Affairs of Georgia, who was responsible for fulfilling the efforts around "A Stability Pact for the Caucasus."[24] The president of Azerbaijan Aliyev also supported the offer stating that "the countries of the South Caucasus must enter the 21st century free from all conflicts and confrontations and accept their own pact for security and peace without taking into consideration the ambitions of other countries."[25] It should be noted however, that though Armenian leadership also agreed that a regional security arrangement was necessary and agreed that the pact should be based on a 3+3+2 formula (i.e. Azerbaijan, Armenia, Georgia + Russia, Turkey, Iran + the EU and the US),[26] the real content of the Armenian concept is based on a different vision of a security mechanism. While, Azerbaijan and Georgia see conflict resolution as a prerequisite for a lasting stability and cooperation, Armenia is unwilling to link the regional economic cooperation with the resolution of the regional conflicts (the conflict over Karabakh in particular).[27] At the same time Armenia is eager to use CSP proposal as leverage on Turkey forcing it to open border gates. In response to Demirel's proposal spokesman of Armenian MFA Ara Papian told that "without a normalization of the Turkish-Armenian relationships it is impossible to speak about regional programs."[28]

It is noteworthy that Turkey's proposal for a "Caucasus Stability Pact" coincided with the ever-growing concern in Europe about the implications of the instability in this remote corner of Europe on the overall European security. The countries of the European Union (EU) learned

[24] See official web site of the Ministry of Foreign Affairs of Georgia <http://www.mfa.gov.ge/stability.html >.
[25] Quoted in Michael Emerson, "A Stability Pact for the Caucasus", (2000), p. 24.
[26] Ibid.
[27] Under the economic cooperation Armenian authorities first of all envisage opening of communication lines through Azerbaijan and Turkey, whereas Azerbaijan and Turkey made re-opening of transport routes and economic cooperation conditional to withdrawal of Armenian forces from the occupied Azerbaijani territories.
[28] See *RFE/RL Caucasus Report*, Vol. 3, No. 3, (January 21, 2000).

from the experience of the conflicts in the Balkans that the negative consequences of the conflicts on the European continent, regardless of how remote they are, will not be long in presenting themselves and will effect security of EU in an immediate way – be it wave of illegal immigration, drug and weapons trafficking, terrorism, spread of the criminal networks or even spill over of the conflicts. Back in 1998, during his visit to the South Caucasus, NATO Secretary-General Javier Solana stressed that "Europe will not be completely secure if the countries of the Caucasus remain outside of European security."[29] NATO's new Secretary-General John Robertson spoke in a similar way during his trip to Azerbaijan in January 2000 noting that "the Security of the South Caucasus is a part of European security."[30]

In June 22, 1999 the joint EU-Caucasus summit was held in Luxemburg, whose joint concluding declaration noted that the "outstanding conflicts are impeding the political and economic development of the South Caucasian states."[31] The EU's growing engagement in the Caucasus should be regarded through the prism of its Common Foreign and Security Policy (CFSP) concept that formally started in October 1999 in accordance with the Amsterdam treaty. The EU is increasingly views its role as an international actor in its own right in the vast area stretching from the Balkans and the Black Sea throughout the Caucasus and Central Asia to the border with China.[32] Like NATO, the EU has been reviewing its foreign policy "instruments" that would serve its primary goals in this vast area – stabilization and

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[29] Cited by Glen E. Howard, "NATO and the Caucasus: The Caspian Axis", in Stephen Blank (ed.) *NATO after Enlargement: New Challenges, New Missions, New Forces*, (Carlisle, PA: US Army War College, 1998), p. 152.

[30] Recorded by the present author on location in Baku, during Robertson's address to the students and academic staff of Baku State University, (January 2000).

[31] Cited in "A Stability Pact for the Caucasus", CEPS Working Document No. 145, (May 2000).

[32] See Alexandr Rahr, "Europe in the New Central Asia", in Sherman W. Garnett, Alexandr Rahr and Koji Watanabe (eds.) *The New Central Asia: In Search of Stability*, Trilateral Commission Report No. 54, N-Y-Paris-Tokyo, (October 2000), p. 61.

democratization.[33] EU's growing geo-economic interests in the Caspian region should not be overlooked either. Over a past decade, the EU has used predominantly economic tools such as economic assistance, creation of intra-regional cooperation structures (TRACECA[34], INOGATE[35] projects are most ambitious) to achieve its regional objectives.[36] The essence of the EU strategy is that through the economic regional cooperation it would be possible to hasten economic recovery and thus dampen existing inter-ethnic and territorial conflicts.[37]

The past decade showed however that pure economic initiatives are not enough to foster economic cooperation among belligerent states. The regional projects are indeed effective incentive for cooperation, but only among states that are free from ethnic and/or territorial disputes between them (cooperation between Azerbaijan and Georgia in the energy transportation projects is a case in point). Besides, these ambitious projects require huge investments that can only be attracted if there is peaceful, stable environment. Therefore, the success of any stability plan depends on whether it can solve the existing territorial and ethnic disputes. Thus, any initiative for economic cooperation should be proposed along with a comprehensive plan that would envisage political settlement of the regional conflicts.

In the mid-1990's the EU developed a "Stability Pact" strategy that envisaged parallel process of economic cooperation and political settlement of disputes on the European

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[33] See Alexandr Rahr, "Europe in the New Central Asia", (2000), p. 63.
[34] Transport Corridor Europe-Caucasus-Central Asia, for more on this see official web site <*www.traceca.org*>.
[35] Interstate Oil and Gas Transport to Europe, see <*www.inogate.org*>
[36] See Alexandr Rahr, "Europe in the New Central Asia", (2000), p. 64.
[37] The attempt is being made to repeat Europe's post-World War II experience, when *The European Coal and Still Community* (ECSC) was founded in 1952 with the aim to integrate key industries needed to increase military capabilities of states, thus preventing formation of threat perceptions between European states.

continent. As argues Michael Emerson,[38] "Stability Pact" model is in fact a EU strategy designed to stabilize the borderlands of Russia and enlarging EU. The first Stability Pact, the so-called Baladur Stability Pact (1995), was designed for the Central Europe; the second is a work-in-progress in the Balkans (1999) and the more recent Stability Pact was proposed for the Caucasus (2000).[39]

The Center for European Policy Studies (CEPS)[40], at the proposal of the OSCE High Commissioner for National Minorities, Max Van der Stoel, formed a Task Force for the Caucasus on 28 January 2000. The Task Force developed and put into circulation the preliminary text of a comprehensive plan for the region.[41] "A Stability Pact for the Caucasus" is the only comprehensive Action Plan considering the mechanisms in establishing regional stability and cooperation. It is thus important for our study to consider its key ideas and general approach.

It should be noted from the outright that though the experience and mechanisms of the Baladur and Balkan Stability pacts applied to the Central and South-Eastern Europe respectively, are invaluable for the proposed Caucasus Stability Pact, none of these models is adequate for the Caucasus, which has its own more complicated regional dynamics and requires more complex solutions and mechanisms. The Baladur Pact (1995) was based on preventive diplomacy of the EU that made EU membership aspirations of the Central European countries conditional to the settlement of frontier and minority problems among these countries.

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[38] Michael Emerson is Senior Research Fellow at Center for European Policy Studies (CEPS), Brussels.
[39] See Michael Emerson, "A Stability Pact for the Caucasus", (2000), p. 24.
[40] It should be noted that the CEPS played an important role in shaping EU's Balkan Stability Pact of 1999.
[41] See "A Stability Pact for the Caucasus", CEPS Working Document No. 145, (May 2000), <http://www.ceps.be/Pubs/2000/Caucasus/ndc/Newdeal.htm>, Accessed: June 9, 2002.

The Balkan Stability Pact (1999) became possible only after the direct NATO intervention and peace settlements (based on the Dayton accords and the UNSC Resolution 1244) that were in fact *imposed* on Bosnia and Kosovo. These scenarios are unlikely to be used in the case of the Caucasus. Russia had already expressed its "dissatisfaction" with NATO's unilateral actions in the Balkans and it is not difficult to imagine what would had been Russia's response if such "unilateral" international involvement would have taken place in the region, a part of which is Russian territory (North Caucasus). Besides, unlike the Balkans, in the Caucasus there is still technically a state of war even if the conflicts are "frozen" and as indicates decision of the OSCE Budapest summit (1994) on the peacekeeping operation in Karabakh, any broad international involvement is made conditional on reaching political solution to the conflict(s).[42]

However, given, that the three South Caucasian states aspire to integration into European institutions with eventual (although remote) EU membership, the EU intends to use its "*virtual membership*" tool as a strong incentive mechanism to settle Caucasian conflicts. These states are already members of the OSCE and Council of Europe (CoE). The proposed special status for these states on their way to integration to EU would presumably be weaker than formal candidacy but require certain adjustment beyond OSCE and CoE standards.[43] A specific "Stability Pact" package for the Caucasus proposed by the CEPS is drawn, however, on the experience from the previous pacts in Europe. The model envisages three general actions:

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[42] See Budapest Summit document: "Towards a Genuine Partnership in a New Era" (1994) <http://www.osce.org/docs/english/1990-1999/summits/buda94e.htm#Anchor_REGIONA_34546>, Accessed: March 19, 2002.

[43] See George Tarkhan-Mouravi, "A 'Realistic' Approach to Regional Security…" (2001), p. 2.

a) Conflict resolution for Karabakh, Abkhazia, and South Ossetia;

b) Establishment of regional security order under the OSCE;

c) Initiation of the *South Caucasus Community* (SCC);

The proposed pact presupposes also three actions of wider regional cooperation:

a) Russia/EU/US *Southern Dimension*[44] cooperation;

b) Broader Black Sea-Caucasus-Caspian cooperation;

c) Oil and gas investment and related infrastructure;

Though the priority is given to the resolution of regional conflicts, special emphasis is put on regional integration and cooperation. The package proposes to play down notions of absolute independence, sovereignty and federation, while instead focusing on "a schema of how competences may be shared by levels of government" that is based on "modern European models of shared sovereignty, interdependence and multi-tier governing structures."[45] This is a general approach to the conflict resolution that could serve a basis for individual cases.

Once there are clear signs of progress towards resolving the most serious regional conflicts, especially the conflict between Azerbaijan and Armenia over Karabakh, there is proposal to initiate so-called "*South Caucasus Community*" (SCC) – a regional integration mechanism. The joint EU-Caucasus summit (June 1999) declaration allows to assume that the EU might regard such intra-regional integration mechanism as a first stage on the way towards the region's European vocation, thus further strengthening incentives for integration.

[44] In analogy to "Northern Dimension" in the Baltic and Barents Sea area within the framework of EU-Russia partnership and Cooperation Agreement.

[45] Excerpts are taken from the text "A Stability Pact for the Caucasus", (CEPS Working Document No. 145, May 2000).

Without dwelling too much on the details of the document, it should be noted that throughout the document a number of interesting scenarios for conflict resolution and regional cooperation are discussed and proposed. They indeed seem plausible provided they are feasible. However, the document does not seem to have settled the question of prioritization between economic, political and security objectives that is very crucial. The first priority is given to the resolution of conflicts. At the same time the document states that "the international community should not be waiting for the conflicts to be settled before opening up such perspectives of a wider cooperative strategy for the whole region. On the contrary, elements of a new regional order would be built into political settlements of the conflicts." This reflects in fact a long standing "chicken-and-egg" debate on what should proceed first. As was previously mentioned Azerbaijan and Georgia made comprehensive regional economic cooperation conditional to the resolution of the conflicts and restoration of their territorial integrity.[46] Whereas, as it is seen from the available information from the negotiation processes, attempt is being made to discuss first practical matters of transportation (especially re-opening of the communication lines between Azerbaijan, Turkey and Armenia in two-way directions)[47] and economic revival. Azerbaijan warned the international community (states that participate in the Minsk Group of the OSCE on Karabakh in particular) that turning blind eye on attempts of Armenia to alter one of the pillars of international security i.e. inviolability of internationally-

[46] This principle was confirmed by Azerbaijani President H. Aliyev during the anniversary summit of the BSEC in Istanbul, held in June 24-25, 2002 in Istanbul. (See *RFE/RL Newsline*, June 26, 2002).
[47] Since the outbreak of war between Armenia and Azerbaijan, both Turkey and Azerbaijan closed their borders with Armenia using this as a tool to contain Armenian irredentism.

recognized borders, may in fact mean legitimizing the use-of-force as a means of solving international disputes.[48]

It should be noted that certain key elements of the proposals made in the CSP model have been circulating in various forums and reportedly during the peace negotiations.[49] The question is however, why it was not possible so far to break the deadlock and make progress in the conflict resolution. As argues Michael Emerson, in order to overcome the region's instability *a paradigm shift* (emphasis added) from one reminiscent of the 19th century (i.e. rivalries, *realpolitik*, violent nationalism and conflict) to one of cooperation is required. The text of the proposed pact reads as follows:

> There are many conflicts and tense oppositions in the region, from the clan to the geopolitical. The pivotal case, both in terms of local geography and geopolitics, is that of Nagorno-Karabakh. Behind the trenches and land-mines of no man's land lies a wide set of virtual alliances, notwithstanding the efforts of the Minsk Group of the OSCE (Co-chairs: France, Russia, US). The virtual alliances on the Armenian side see support from Russia with arms and military bases. Iran cooperates closely with Armenia. On the Azerbaijan side there is political support from Turkey, which blockades Armenia. The US supports a line of virtual alliance from Turkey through Georgia to Azerbaijan, as seen in the oil pipeline diplomacy. The US sanctions Iran. Armenia blockades the Azeri province of Nakhichevan. Russia argues that Georgia has not been helping stop infiltration of terrorists in and out of Chechnya...Both Azerbaijan and Georgia feel insecure in relation to Russia, and so discuss developing a stronger relationship with NATO, which further aggravates the atmosphere between Russia and the US."[50]

"The cost of the present confusion of systems (i.e. virtual alliances) is that parties to the conflicts of the region are themselves not receiving clear incentives and pressures to settle. Each

[48] See Svante E. Cornell, "Undeclared War: the Nagorno-Karabakh Conflict Reconsidered", *Journal of South Asian and Middle Eastern Studies*, Vol. XX, No. 4, (Summer 1997), pp. 1-23.
[49] On proposed conflict resolution mechanisms see *RFE/RL Caucasus Report*, Vol. 1, No. 17, (June 23, 1998).
[50] See "A Stability Pact for the Caucasus", (CEPS Working Document No. 145, May 2000)

has more or less its big protector."[51] Thus, the shift in paradigm is essential not only in the South Caucasian states, but also, in neighboring and extra-regional powers, as "nothing can happen without the engagement of the big powers."[52]

Thus, when we are talking about the feasibility of the "Stability Pact" model, our concern is not only about applicability of this model to the Caucasus. The question is rather whether regional and non-regional powers can develop a constructive strategic cooperation framework for the whole region as it was done in the Balkans. As argues Sergiu Celac,[53] the greatest challenge for a "Stability Pact for the Caucasus" will not be that getting the three South Caucasian countries to agree on a regional set of principles and practical steps regulating their mutual relationships. It will be to get the global and the neighboring regional powers *to achieve a balanced accommodation of their respective interests in the South Caucasus* (emphasis added).[54] In other words, a balance-of-power concept should be substituted by a balance-of-interests. As regional and non-regional powers are claiming to have political, economic and strategic interests in the region, the proposed CSP brings into focus the very substance of the future relationships between the Russian Federation, the EU and the USA.[55] Taking into consideration the geopolitical consequences the resolution of the conflicts in the South Caucasus may have for the external actors, the following paradigm seems to emerge: the lasting solution to these conflicts depends to a large extent on the interests and policies pursued by powerful regional and extra-regional states.

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[51] See "A Stability Pact for the Caucasus", (CEPS Working Document No. 145, May 2000).
[52] See Michael Emerson, "A Stability Pact for the Caucasus", (2000), p. 27.
[53] Sergiu Celac, Romanian ambassador, co-chair of the CEPS Task Force for the Caucasus.
[54] See Sergiu Celac, "Prospects for a Stability Pact for the Caucasus: Some Preliminary Speculations", CEPS Brainstorming Session, Brussels, (27-28 January 2000).
[55] See Michael Emerson, "A Stability Pact for the Caucasus", (2000), p. 27.

In this regard, for Turkey, which modeled this pact from the Balkan Stability Pact, and for Azerbaijan and Georgia perhaps the most attractive element of the proposed pact is *multilateral diplomatic initiative* by the international community. The impression should not be however, that Azerbaijan and Georgia want just to relegate conflict resolution to the international community. Azerbaijan and Georgia, being aware that the deadlocked character of the regional conflicts can be broken through by the external pressure on secessionist communities and/or states supporting them, advocate for broader involvement of the international community. Such international organizations as the UN and the OSCE do participate in the mediation process. However, as John Maresca aptly argues, 'the OSCE is merely a vehicle for international community involvement. And one of the main reasons why the OSCE was not effective is that the OSCE has been unsuccessful thus far in connecting the problems of the Caucasus with the high levels of outside Western governments, needed to push the conflicting sides to agreement.'[56] The US, Russia and France - states co-chairs of the Minsk Group of the OSCE on the Karabakh conflict - had their own hidden agendas on Armenia.[57] The Abkhaz conflict was also stalemated mainly due to the fact that Russia was anxious about Georgia's NATO-oriented policy. Thus, political cooperation among major powers involved in the region is viewed by Azerbaijan and Georgia as imperative in settlements of regional conflicts and fostering regional peace, security and stability.

In this regard, a *Trilateral response* (i.e. concerted efforts of major actors such as EU, Russia and the USA) based on a rational balance of trade-offs and pay-offs between these actors, proposed by the CEPS document, should be of special interest to the South Caucasian

[56] See John Maresca, "Why an OSCE Role in the Caucasus", *Security Dialogue*, Vol. 27, No. 1, (1996), p. 88.
[57] See Alexandr Rahr, "Europe in the New Central Asia", (2000), p. 63.

states. Common interest of major powers indeed could provide viable answers to the complex issues of the region. As argues M. Emerson "the Caucasus might be the next big test for transatlantic cooperation and solidarity." The key mechanism for this *Trilateral response* is the so-called *Southern Dimension* concept, which is modeled in analogy of *Northern Dimension* cooperation framework on major economic projects in the Baltic and Barents Sea basins.[58] The *Southern Dimension* is suggested building on existing Black Sea Economic Cooperation (BSEC) organization by creating wider Black Sea-Caucasus-Caspian cooperation scheme. Additional players such as OSCE/UN for conflict resolution and regional security arrangements and international financial institutions such as IMF, IBRD, EBRD would be involved on an *ad hoc* basis. The primary goal for such cooperation is to create transparency in the regional initiatives of these actors (such as CIS, NATO-sponsored PfP, EAPC), thus "reducing threat perceptions that have resulted from differing assessments of these initiatives."

The linkage between geopolitical environment in the region (formed to a large extent by the policies and strategies pursued by the major powers) and the dynamics of the conflicts in the South Caucasus is clearly identifiable. The common ground between major powers found over the need to combat international terrorism and extremism in the aftermath of September 11 fall-out that led to the activisation of peace negotiations on the regional conflicts, and the Karabakh conflict in particular is most recent example. Subsequent change of strategies from reactive crisis management to the pro-active preventive strategies put on the agenda once again the need

[58] *The Northern Dimension* (comprises northern EU countries, Baltic states and Russia) was first recognized EU-wide at the Luxembourg European Council in December 1997. In the following years, it was developed into a more concrete concept. The Vienna European Council in December 1998 adopted a Commission Communication on a *'Northern Dimension for the policies of the Union'*. For more on this see <http://europa.eu.int/comm/external_relations/north_dim/#4>, Accessed: June 12, 2002.

to seek comprehensive solutions to the "frozen" conflicts in the pivotal regions (which sometimes are referred to as Eurasian "Arc of Instability").

The need to make coordinated efforts in fighting international terrorism ended up with the shift of Russia's foreign policy in general and in the South Caucasus in particular. Russia's sudden accord to the basing of the US troops in Central Asia and arrival of the US military instructors in Georgia prompted some observers to conclude that "Russia is not against sharing its geopolitical influence in the South Caucasus with the West in the same manner as it is already doing in Central Asia."[59] Whatever are the real calculations of President Putin, it seems that he realizes the need to find some sort of accommodation with the US, NATO and the EU" in order to achieve his goal of reviving Russia's international status.[60] In the new geopolitical configuration of the world that emerged after the notorious September 11 terrorist attacks, Russia's new leadership is seeking to avoid vicious circle of geopolitical confrontation that only reveals Russia's limited capabilities. Thus, by supporting anti-terrorist coalition President Putin seeks to secure a role for Russia in shaping security order across Eurasian continent, that will most probably raise its international status, strengthening its position vis-à-vis NATO (as indicates new agreement between Russia and NATO within the framework of the "20"[61]) and making the US and EU more sensitive to Russia's security interests.[62]

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[59] Quoted in "A New Security Arrangement takes Shape in the South Caucasus", *Eurasia Insight,* January 24, 2002, <http://www.eurasianet.org/departments/insight/articles/eav012402.shtml>, Accessed: March 21, 2002.

[60] For a more recent analysis see Zbigniew Brzezinski, "*The Geostrategic Triad: Living with China, Europe, and Russia*", (Washington D.C.: CSIS, January 2001).

[61] New NATO-Russia Council was established at the NATO-Russia Summit on 28 May 2002 in Rome, which brings together the 19 Allies and Russia to identify and pursue opportunities for joint action at 20. For more on this see <http://www.nato.int/docu/facts/nato-rus.htm>, Accessed: June 26, 2002.

[62] See Nina Bachkatov, "Russia: Winning without Fighting", *Le Monde Diplomatique,* November 2001(in English).

This change of attitude was reflected in the declarations adopted at the recent Russian-American summit in Moscow in May 2002. The joint declaration by President George W. Bush and President Vladimir V. Putin on "the New Strategic Relationship Between the United States of America and the Russian Federation" unequivocally stressed that:

> In Central Asia and the South Caucasus, we recognize our common interest in promoting the stability, sovereignty, and territorial integrity of all the nations of this region. The United States and Russia *reject the failed model of "Great Power" rivalry that can only increase the potential for conflict in those regions* (Emphasis added). We will support economic and political development and respect for human rights while we broaden our humanitarian cooperation and cooperation on counterterrorism and counternarcotics.[63]

However, though these developments undoubtedly are plausible and have potential to positively effect security in the South Caucasus, simple encouragement (albeit strong) by Russia and the US of the presidents of South Caucasian states (and of Azerbaijan and Armenia in particular) "to exhibit flexibility and a constructive approach to resolving the conflict concerning Karabakh"[64] is clearly not enough. As argues M. Emerson, "the overarching shift of paradigm has to be engineered and set into motion by the powerful impulse."[65] Though just like in case of the Balkan Stability Pact, the proposed CSP would be deprived of powers and would not probably have the role of making hard policy proposals at the initial stage some elements of imposition might be necessary to break the deadlock.

It should be noted that the external states involved in the conflict resolution process in the South Caucasus should be more careful in their approaches to the regional problems. For

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[63] From the text of the "Joint Declaration by President George W. Bush and President Vladimir V. Putin on the New Strategic Relationship Between the United States of America and the Russian Federation", (Moscow, May 24, 2002), Source: <*www.interfax.ru*>, (Official translation) May 25, 2002.
[64] See the text of the "*Joint Declaration…*"
[65] See Michael Emerson, "A Stability Pact…" (2000) p. 29.

example, the recognition of the so-called "Armenian genocide" in the French parliament in January 2001, and lobbying of Armenian Diaspora in the Western states to recognize the "genocide" undoubtedly negatively affects present tense relationships between Armenia and Azerbaijan and Turkey and inevitably complicates the conflict resolution. Gerard Libaridian[66] claims that 'the Karabakh conflict and the "genocide" have their own points of intersection. Armenians refer to Azerbaijanis as "Turks", with all the evil and anxiety that the word evokes from history.'[67] Thus any such moves do not contribute to the confidence-building measures aimed at dampening existing inter-ethnic and territorial conflicts and only add fuel to the regional animosities between these peoples.

The CSP would in fact mean creation of credible Caucasus regional security system that would preserve regional stability. As reads the CSP document "a common security order for the South Caucasus should become the dominant feature of further joint action." A specific security agreement or treaty (or set of treaties), endorsed and supported by the UN, OSCE and major powers, would define regional security aspects including questions of territories, security guarantees. The question of borders should be given special consideration. Though all regional conflicts are ethnicity-based and have secessionist elements, nevertheless overgeneralization of the patterns of these conflicts to the minority versus "titular nation"[68] standoff may hide other no less serious impediments to the regional stability. Attempts of Abkhaz to control the territory of the autonomy where they used to be a minority before the

[66] Gerard Libaridian – former adviser (1991-1997) to the ex-president Levon Ter Petrossian (1990-1998).
[67] See Gerard Libaridian, "Re-imagining the Past, Rethinking the Present: The Future of Turkish-Armenian relations", *Insight Turkey*, Vol. 2, No. 4, (October-December 2000), p. 141.
[68] Most of the Post-Soviet and, more broadly post-communist states are officially based on strict adherence to the ethno-nationalistic idea of the nation state as a state primarily belonging to the dominant, most numerous, 'historic', or 'titular' nation.

war, for example, cannot be compared to Armenia, which is, in fact, trying to realize its policy of "*miatsum*" – forceful annexation of Karabakh region of Azerbaijan. Thus, Armenian irredentist territorial claims on neighboring countries (Armenia still has not renounced its territorial claims on Turkey's eastern provinces) are no less acute problem to the regional security. Therefore any future regional security framework will have to contain something more than a mutual obligation of three South Caucasian states to recognize and respect each others' territorial integrity. Any stability pact will have to provide some sort of internationally sanctioned commitment about the territorial integrity and inviolability of internationally recognized borders.

At the time when this thesis is being written it is difficult to predict whether such a comprehensive pact is possible for the region in the foreseeable future. There are still too many problems in relationships between the regional states. It will take time to get all parties agree on the pact that would include all aspects of regional security issues. This is why analysts prefer to talk about stabilization "process" instead of a "pact."[69]

[69] See Robert Culter, "The Key West Conference on Nagorno-Karabakh: Preparing Peace in the South Caucasus",<http://www.foreignpolicy-infocus.org/commentary/0104karabakh_body.html>, Accessed: 2 June, 2002.

CONCLUSION

The security environment in the South Caucasus after the demise of the Soviet Union was characterized by the numerous ethnic conflicts and territorial disputes that turned into the full-fledged wars. The weakening and eventual retreat of central Moscow authority from the post-Soviet republics provided opportunity for various political groups to consolidate their power by using nationalistic and secessionist slogans. The weak state institutions, lack of political culture, centrifugal movements as well as social problems and economic hardships in the newly independent states that resulted from the transformation of the central state economy into the market-based economic system formed the internal sources of instability in the South Caucasian states.

The internal sources of the instability in the South Caucasus affected the overall regional security environment, by providing an opportunity for the meddling of the external powers to advance their interests in the region. The security environment in the region was shaped to a large extent by the policy of Russia – a sole country, which still had decisive leverage on the newly independent states. The Russian political elite, in response to the Russia's weakening position in a number of key important international affairs, shifted its foreign policy orientation towards the "Near Abroad." It instrumentalised instability in the South Caucasus in order to retain Russia's preponderant position there and seal off the region from the external penetrations. The Russian military, that was influential in Russian policy making towards the FSU between 1992-1996, supported secessionist leaders and used them as leverage in order to subdue the central governments in the NIS and weaken the growing influence of the Western

countries. Internal security threats in Azerbaijan and Georgia were viewed as externally instigated, to a large degree by Russia. As a result, the ethnic conflicts in the region quickly internationalized and turned from "purely" ethnicity-based conflicts into the hidden struggle for the geopolitical "sphere of influence," and formed an external dimension of the regional instability. The linkage between geopolitical environment in the region and the dynamics of the conflicts in the South Caucasus became clearly identifiable.

The primary determinant of the foreign policy options of South Caucasian states was thus location of these states in the geopolitical zone of "Great Power" competition. Azerbaijan and Georgia in order to counterweigh Russia's hegemonic aspirations developed close political and security ties with other extra-regional countries. Turkey, that is the only regional power with the long traditions of relations with the Western institutions was of particular importance to these states. Although Turkey avoided policies that could bring to the head-on confrontation with other regional powers, primarily with Russia, the "Turkish factor" was indispensable in fostering geopolitical pluralism in the region. Apart from the role of "facilitator" in membership of these states in the Western institutions such as the OSCE, NACC, IMF, World Bank, Turkey played an important role in the diversification of the security ties of Azerbaijan and Georgia, that eventually provided these states with greater space for political maneuverability in the region.

Turkey's strategic partnership with Georgia and Azerbaijan moved quickly into the military sphere. Given Turkey's proximity to the region and historical ties with the regional states, Turkey with the US backing took a leading role in promoting "Partnership for Peace" (PfP) program in the region - a blueprint for NATO's engagement in the South Caucasus.

Turkey institutionalized defense links with these states by opening NATO-sponsored PfP training center in Ankara.

Turkey just like Azerbaijan and Georgia sees the primary reason for the stalemate in the conflict resolution in the region in the different security perceptions of regional and extra-regional actors and acknowledged that the balancing of interests of all states involved is essential to meet the challenges of the regional security problems. Turkey put forward a number of regional initiatives that were believed to contribute to the creation of the regional cooperative security framework. Turkey initiated such new regional cooperation schemes as the BSEC and the "Black Sea Naval Cooperation Task Group" (BLACKSEAFOR) in 2001 and held a trilateral summit of Turkey, Azerbaijan and Georgia in Trabzon in April 2002, which resulted in signing of an agreement on "struggling against terrorism, organized crime and other heavy crimes." However, the most important initiative of Turkey was the "Caucasus Stability Pact" proposed by the Turkish 9th president Süleyman Demirel in 2000. More than on one occasion, Turkish ex-president Demirel noted that any regional stability scheme have to include concerted cooperative efforts of the international community – a feature that was present in the Balkan Stability Pact (1999), from which the Caucasus Stability Pact was in fact modeled. The fact that the Task Force of the Brussels-based Center for European Policy Studies developed the preliminary text of a comprehensive plan for the region indicates the growing interest by the international community in the developing of a constructive strategic cooperation framework for the whole region. Endorsement of a pact by the US and Russia – a key actors in the region, and subsequent recognition by the leaders of these states of their "…common interest in promoting the stability, sovereignty, and territorial integrity of all the nations of this region…" and pledges

of the transparency and cooperation in their relations with the regional states is another indication of the shift from a balance-of-power approach to that of the balance-of-interests.[1] The Action Plan between the Russian Federation and the Republic of Turkey on co-operation in Eurasia that was signed in November 2001 is one recent example of the fundamental change in Russia's approach to the involvement of other major regional actors in the "Near Abroad" – a zone, which until recently had been considered a sphere of exclusive Russia's interests.

Russia's new president Putin is inclined to accommodate interests and concerns of other regional states, and Turkey in particular, with which Russia has common zones of intersections. These recent developments greatly diminish at least one of the main obstacles to the regional stability, i.e. geopolitical rivalry of the major states and increase the prospects of a stabilization of the South Caucasus.

[1] From the text of the "Joint Declaration by President George W. Bush and President Vladimir V. Putin on the New Strategic Relationship Between the United States of America and the Russian Federation", (Moscow, May 24, 2002), Source: <*www.interfax.ru*>, (Official translation) May 25, 2002.

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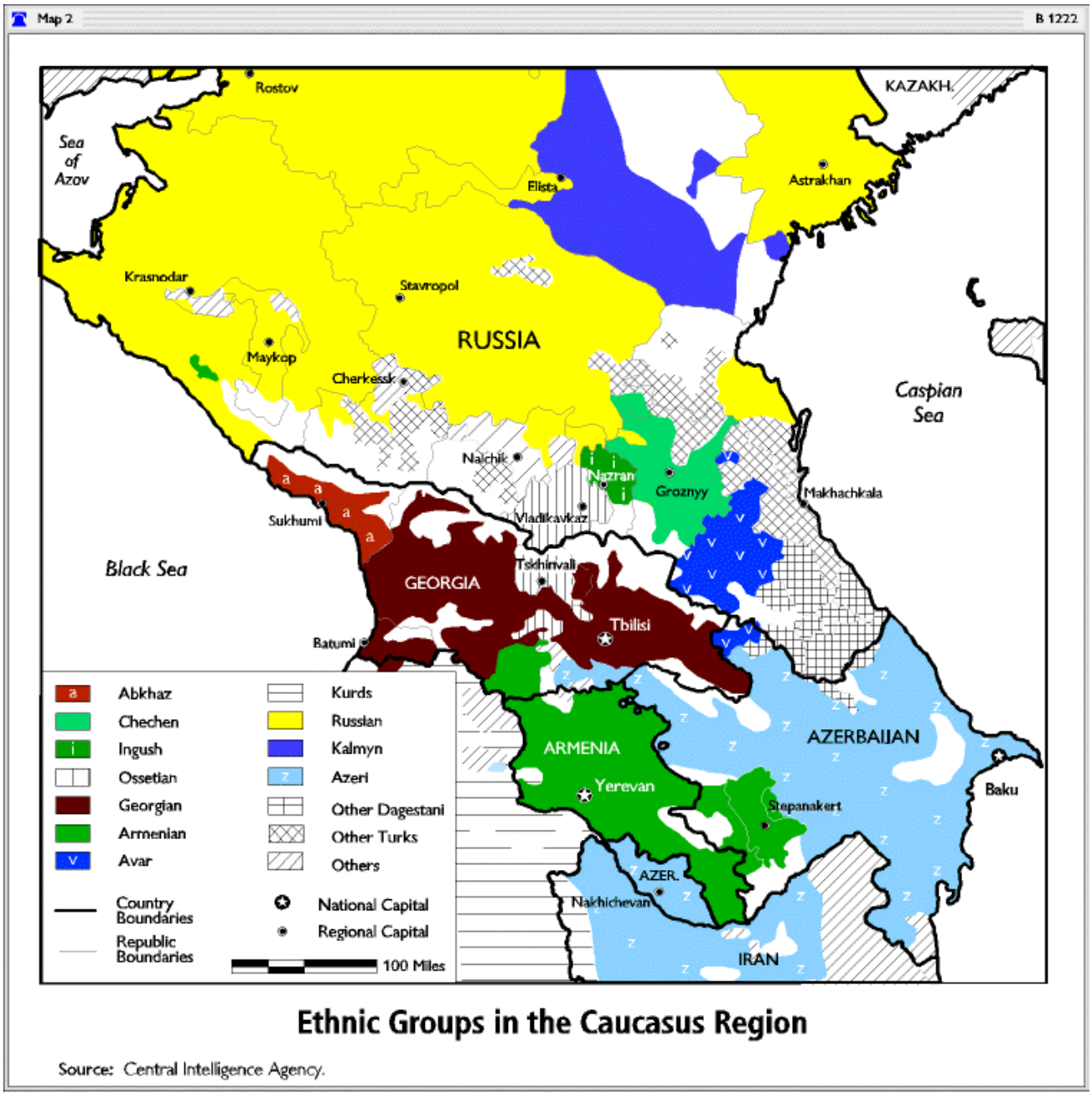
MAP 1: MAJOR WARS AND CONFLICTS OF 1990s

Source: Philippe Rekacewicz, Le Monde Diplomatique (France)< http://www.monde-diplomatique.fr/cartes/IMG/artoff563.jpg>

MAP 2

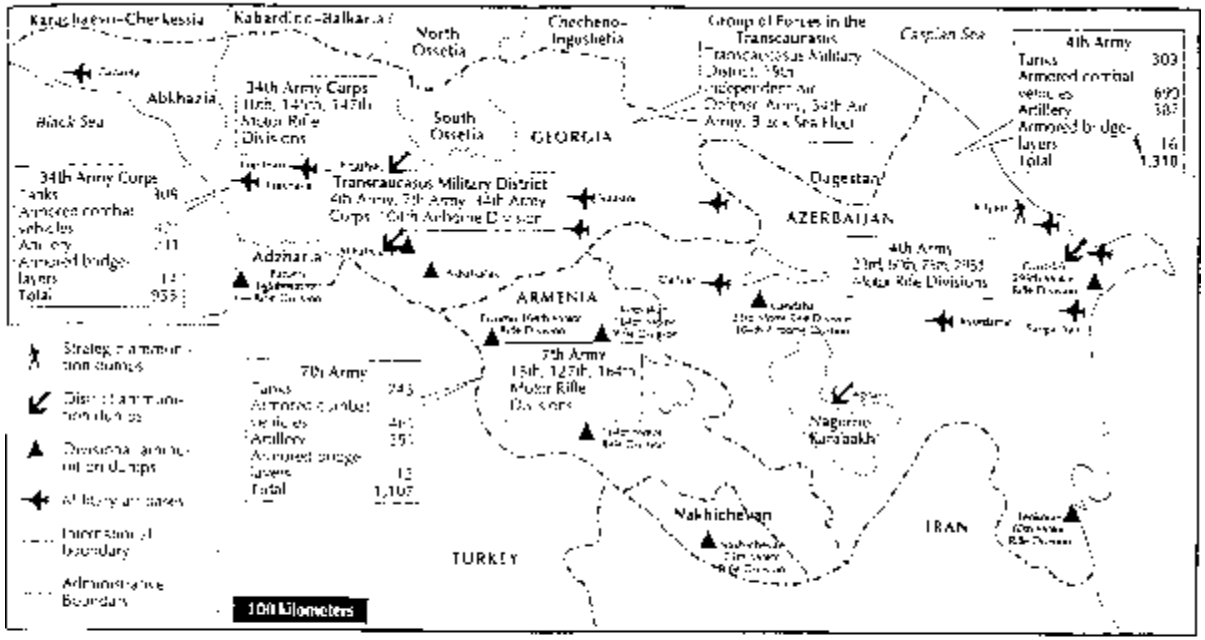
Source: The Heritage Foundation <*www.heritage.org*> (Backgrounder No. 1222)

MAP 3



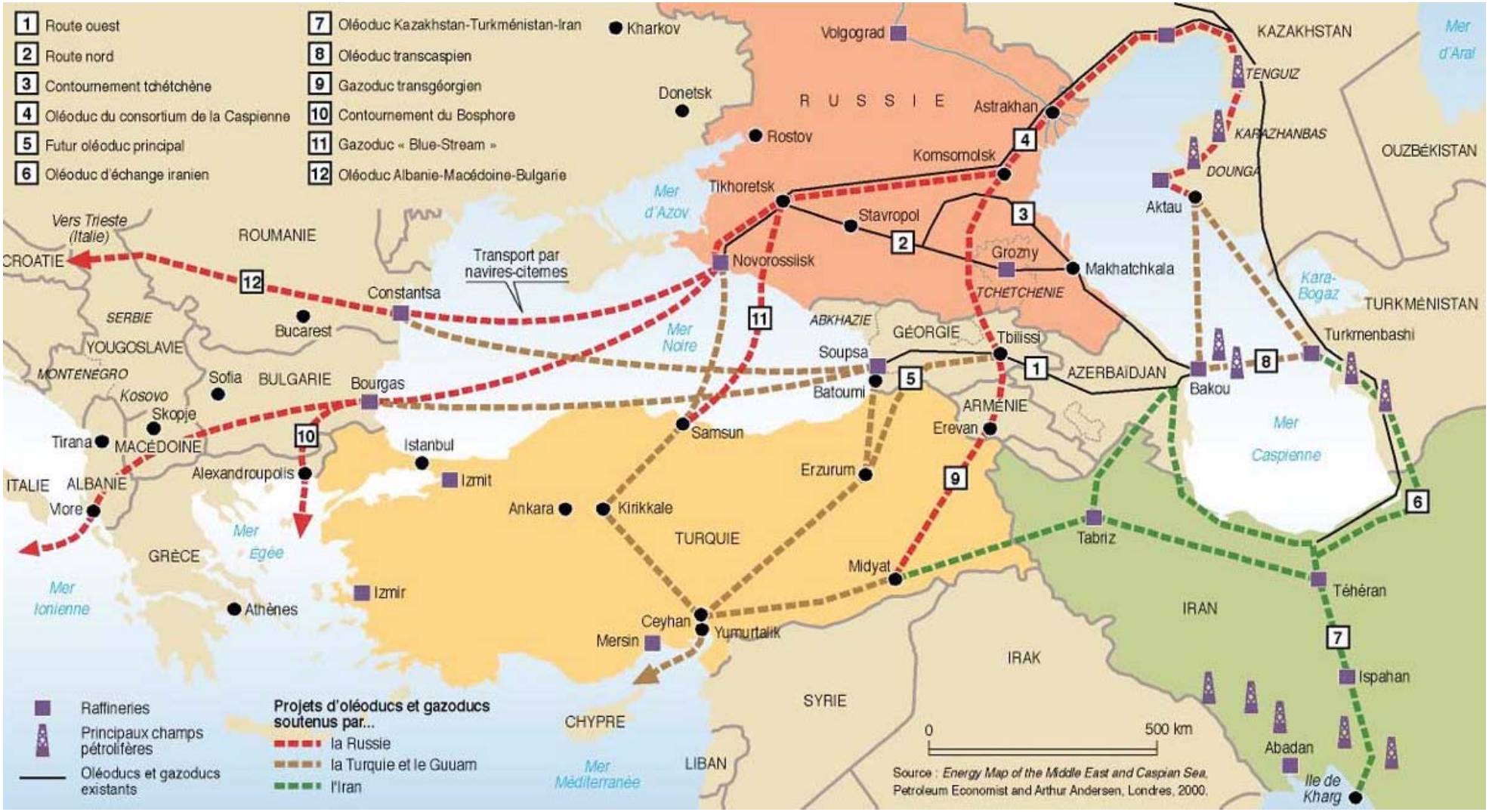
Source: The Heritage Foundation <*www.heritage.org*> (Backgrounder No. 1222)

MAP 4: LOCATION OF RUSSIAN FORCES IN THE SOUTH CAUCASUS IN EARLY 1992



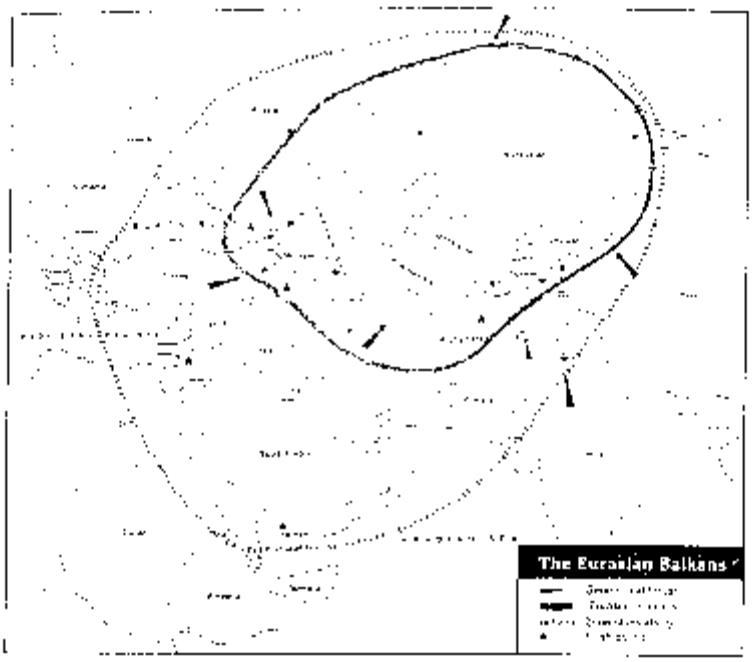
Source: Elizabeth Fuller, "Paramilitary Forces Dominate Fighting in Trans-Caucasus" *RFE/RL Research Report*, Vol.2, No.25, 18 June 1993, p. 35

MAP 5: EXISTENT AND PROPOSED OIL AND GAS PIPELINES IN THE CASPIAN SEA BASIN



Source: Philippe Rekacewicz, Le Monde Diplomatique (France) < *http://www.monde-diplomatique.fr/cartes/caucasepetrole2000*>

MAP 6: THE EURASIAN BALKANS



Source: Brzezinski, Zbigniew. *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*. (N.Y.: Basic Books, 1997), p. 124.

TABLE 1: DECLARED RUSSIAN MILITARY MANPOWER IN THE CAUCASUS

	1992	1993	1994	1995	1996	1997	1999	2000	2001
TCGF	100,000	30,000	25,000	20,000	12,945	13,100	10,700	8,800	6,900
Azerbaijan*	60,000	-	-	-	-	-	-	-	-
Georgia	20,000 (+5.000)	20,000 (+6,000)	20,000 (+8,750)	15,000 (+7,000)	8,500 (+1,700)	8,500 (+2,100)	5,000 (+3,200)	5,000 (+2,000)	4,000 (+2,150)
Armenia	20,000	10,000	5,000	5,000	4,300	4,300	3,100	3,100	2,900
NCMD	20,000	30,000	55,000	50,000	65,000	70,500	79,500	82,500	76,000
Total (without PKF)	120,000	60,000	80,000	70,000	77,945	83,600	90.200	91.300	82,900

Notes:
TCGF – The Trans-Caucasus Group of Forces.
NCMD – The North Caucasus Military District.
* Former Soviet 4th Army was withdrawn from Azerbaijan by May 15, 1993
Figures in brackets are total Russian/CIS PKF (Peacekeeping Forces) deployed in South and North Ossetia, and Abkhazia.
Source: The Military Balance: 1992-1993,1994-1995, 1996-1997, 1998-1999, 2000-2001, 2001-2002, IISS, London.

TABLE 2: ESTIMATED RUSSIAN POPULATION IN THE FORMER SOVIET REPUBLICS

COUNTRY	ESTIMATED RUSSIAN POPULATION	PERCENTAGE TO TOTAL POPULATION, %
Ukraine	11,200,000	21.8
Crimea (Ukraine)	1,550,000	65
Kazakhstan	4,500,000	30.0
Belarus	2,100,000	20.4
Uzbekistan	1,300,000	5.8
Latvia	741,000	29,6
Moldova	500,000	11.5
Estonia	416,000	28.5
Lithuania	304,000	8.7
Kirgizia	290,000	6.5
Georgia	260,000	4.9
Azerbaijan	180,000	2.4
Tajikistan	140,000	2.4
Turkmenistan	50,000	1.2
Armenia	10,000	0.3

Source: CIS Institute (Moscow), reprinted in www.echo-az.com (on-line Azerbaijani daily newspaper), April 2001.

TABLE 3: PARTICIPATION IN CIS AGREEMENTS

	Treaty on Collective Security (May 1992)[1]	*Collective Security Concept (May 1995)*	*Treaty on Joint Border Protection (May 1995)*	*Treaty on Joint Air Defence (February 1995)*	*Statute on Collective Peacekeeping forces (January 1996)*	*Economic Union (September 1993)*	*Payments Union (October 1993)*	*Customs Union (March 1996)*[2]
Armenia	+	+	+		+	+	+	
Azerbaijan						+		
Georgia		+	+	+	+	+	+	
Russia	+	+	+	+	+	+	+	+
Kazakhstan	+	+	+	+		+	+	+
Kyrgyzstan	+	+	+	+	+	+	+	+
Tajikistan	+	+	+	+	+	+	+	+
Turkmenistan				+		+	A	
Uzbekistan		+		+	+	+	+	
Ukraine				+		+	+	
Moldova						+	+	
Belarus	+	+	+	+	+	+	+	+

Key: +, signatory; A, associate member

[1] Azerbaijan, Georgia and Uzbekistan signed the Treaty on Collective Security in May 1992 but withdrew in April 1999

[2] Tajikistan signed the Customs Union in February 1999

Source: Mike Bowker and Cameron Ross (eds.) *Russia after the Cold War*, (London: Pearson Education Limited, 2000), p. 246